



STEVE COOLEY  
LOS ANGELES COUNTY DISTRICT ATTORNEY

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July 31, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AGREEMENT WITH AMERICAN CORRECTIVE COUNSELING SERVICES, INC. TO  
PROVIDE BAD CHECK RESTITUTION PROGRAM SERVICES  
(ALL DISTRICTS) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Chair to sign the attached Agreement with American Corrective Counseling Services Inc. (ACCS) to provide Bad Check Restitution Program Services throughout Los Angeles County for the District Attorney's Office. This Agreement is for a term of one year and includes the option to extend the Agreement by two additional one-year terms and three one month periods. There is no net County cost as District Attorney pre-prosecution expenses are fully offset by program revenue.

Authorize the District Attorney, or his designee, on behalf of the County of Los Angeles to execute applicable documents when the original contracting entity has merged, been purchased, or otherwise changed and to execute amendments to meet the needs of the Department, including up to two one-year options and three one month extensions as allowed by the Agreement.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Board approval of the attached Agreement with ACCS will continue bad check restitution program services in Los Angeles County. On August 17, 1999, your Board awarded the first Bad Check Restitution Program Services Agreement after it was determined that providing these services under an agreement with a private contractor, rather than operate an in-house program was legally, economically and programmatically feasible and desirable. This will be the third contract awarded for these program services.

Penal Code section 1001.60 authorizes the District Attorney to contract with a private entity to conduct the program.

### **Implementation of Strategic Plan Goals**

This program supports County Strategic Plan Goal No. 5, Children and Families' Well Being, as the program addresses the needs of community members who require guidance and educational support to become more responsible in financial planning and financial obligations. This program also provides valuable assistance to the business community and promotes economic well-being for small businesses through recovery of losses.

County Strategic Plan Goal No. 4, Fiscal Responsibility, is also supported by this program through the maximization of revenues to offset program costs.

### **FISCAL IMPACT/FINANCING**

ACCS will offset District Attorney pre-prosecution staffing cost; therefore, there is no net County cost for the program.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In 1986, the Los Angeles County District Attorney's Office established an in-house bad check program as a central clearing-house for non-sufficient funds checks. The ultimate aim of the service was to reduce the number of bad checks passed to businesses in Los Angeles County while allowing the bad check writer to pay restitution to victims in lieu of criminal prosecution, with zero net cost to the County. Legal authority for the bad check program is found in California Penal Code section 1001.60, enacted in 1985 by the California Legislature (Senate Bill 1108) with strong support from the California Grocers Association and other business groups. Under this section, with a resolution adopted by the Board of Supervisors declaring sufficient funds exist to underwrite the program, district attorneys in this State may create in-house bad check diversion programs.



ACCS shall provide services throughout Los Angeles County and may collect only those fees authorized by California Penal Code Sections 1001.64, 1001.65 and 476a(g), including the face value of each check, any authorized bank fees and statutory administrative fees of \$35 per bad check submitted for collection, not to exceed \$1,000 in aggregate. In addition, a bad check diversion class is offered in compliance with California Penal Code Section 1001.64 for which the bad check writer will pay a \$150 class fee as set forth in the Agreement. An additional penalty for failure to attend the required class is also a potential cost to the bad check writer who has enrolled in the remediation program.

The District Attorney's Office shall receive 50% of all administrative fee revenues collected and ACCS shall receive the remaining 50% throughout the contract term. ACCS guarantees that all reasonable pre-prosecution staffing costs to the County shall be covered through this revenue source.

The term of this Agreement is for one year with two options to extend for an additional one-year period and three month-to-month extension periods. The maximum Agreement term is three years and three months effective upon Board execution.

ACCS is in compliance with all Board, Chief Administrative Officer, and County Counsel requirements. The Agreement has been approved as to form by County Counsel.

### **CONTRACTING PROCESS**

The District Attorney's Office released a Request for Proposal (RFP) for Bad Check Restitution Program Services on May 9, 2006. The RFP was advertised on the Los Angeles County Website and in the Los Angeles Times. Copies of the RFP were mailed to the thirty-three (33) firms that requested them. Five (5) bidders were present at an optional Proposer's Conference held on May 23, 2006 and two (2) proposals were ultimately submitted and evaluated for scoring by way of the contracting evaluation instrument.

The District Attorney's Evaluation Committee consisted of four (4) County employees that reviewed the proposals and evaluated them based on vendor qualifications, approach to providing required services, quality control plan, exceptions to terms and conditions, financial capability and cost. Based on the scores weighted by the Evaluation Committee, the current contractor, ACCS, was selected.

Although ACCS was selected, the District Attorney's Office was not able to immediately proceed with awarding the contract due to a protest submitted by one of the bidding firms. Under the County's protest policy, a Departmental Review Committee was convened and a decision was rendered to continue with the contract award to ACCS. A subsequent request was received by the protesting bidder for a second-level review by a County Review Panel.

A County Review Panel was convened and on March 21, 2007, the District Attorney's Office received a decision by the County Review Panel indicating that the majority opinion did not find the protestor's assertions material, nor did they warrant the rescinding or re-solicitation of the RFP.

Pending the outcome of the initial and second-level reviews, the District Attorney exercised its option to continue providing Bad Check Restitution Program Services with the existing vendor, ACCS, on a month-to-month basis.

The Department has evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended Agreement since authority to contract is expressly provided by statute.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

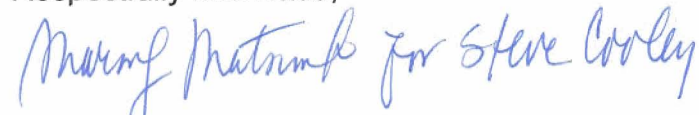
Approval of the recommended actions will ensure continued Bad Check Restitution Program services.

This program does not propose attorney staff augmentation; therefore, the District Attorney's Office is not subject to the Board motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender and Sheriff's Departments.

**CONCLUSION:**

Upon Board approval of the Agreement, it is requested that the Executive Officer-Clerk of the Board return an approved copy of the Board letter and two copies of the Agreement, containing original signatures, to: Los Angeles County District Attorney's Office, Contracts and Grants Unit, 201 North Figueroa Street, Suite 1300, Los Angeles, California 90012, Attention: Ms. Corina M. Calixto. If you have any questions, please contact Ms. Calixto at (213) 202-7653, or via email at ccalixto@da.lacounty.gov.

Respectfully submitted,

A handwritten signature in blue ink that reads "Mark Matsumoto for Steve Cooley".

STEVE COOLEY  
District Attorney

cmc:al

Attachments

Copies to: Chief Executive Officer  
County Counsel





**CONTRACT**

**BY AND BETWEEN**

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

**AND**

**AMERICAN CORRECTIVE COUNSELING SERVICES**

**FOR**

**BAD CHECK RESTITUTION PROGRAM SERVICES**

**BAD CHECK RESTITUTION SERVICES PROGRAM CONTRACT  
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**CONTRACT BETWEEN  
COUNTY OF LOS ANGELES  
AND  
AMERICAN CORRECTIVE COUNSELING SERVICES  
FOR  
BAD CHECK RESTITUTION PROGRAM SERVICES**

This Contract and Exhibits made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2007 by and between the County of Los Angeles, District Attorney's Office hereinafter referred to as COUNTY and American Corrective Counseling Services, hereinafter referred to as CONTRACTOR, located at 180 Avenida La Pata, San Clemente, CA 92673.

**RECITALS**

WHEREAS, the COUNTY desires to contract for services provided by CONTRACTOR; and

WHEREAS, pursuant to Cal. Penal Code §1001.60, the Los Angeles County Board of Supervisors, herein after referred to as BOARD, declared sufficient funds exist to underwrite the program, and that the District Attorney create an in-house bad check diversion program.

WHEREAS, CONTRACTOR is duly qualified to engage in the business of bad check restitution services as set forth hereunder, and warrants that it possesses the competence, expertise, and personnel necessary to provide such services; and

WHEREAS, CONTRACTOR has submitted a proposal to the COUNTY for provision of such services and based upon competitive negotiation, CONTRACTOR has been selected for recommendation for award of such contract.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:



## **PURPOSE OF AGREEMENT**

The COUNTY desires to provide a bad check restitution program in Los Angeles County through a private contractor. Legal authority for the District Attorney to conduct a bad check restitution program is found in Cal. Penal Code §1001.60 through §1001.67, enacted in 1985 by the California Legislature. Cal. Penal Code §1001.60 expressly authorizes a private entity to conduct the bad check restitution program under Contract with the COUNTY.

The CONTRACTOR was identified in an open competitive bidding process, is qualified, is prepared, and desires to provide the bad check restitution services, now required by the COUNTY. In 1986, the COUNTY established an in-house Bad Check Restitution Program as a central clearinghouse for non-sufficient fund (NSF) checks. It was determined after a study was completed, that providing bad check restitution services under an Agreement with a private contractor, rather than continuing the in-house operation by the COUNTY was legally, economically, and programmatically feasible and desirable.

### **Overview of Services**

The CONTRACTOR shall assume daily operational responsibility of the COUNTY's Bad Check Restitution Program upon execution of this Agreement; establish a bad check restitution program here in Los Angeles County, and provide all related services in accordance with the Agreement.

The Bad Check Restitution Program shall assist the COUNTY in the recovery of restitution for victims of bad checks and electronic account drafts, drawn against closed or NSF accounts. The CONTRACTOR shall review and process complaints from bad check victims; locate, contact and collect restitution, administrative and diversion class fees from bad check writers; refer bad check cases to the COUNTY for criminal prosecution as directed by the COUNTY; and enroll bad check writers who agree to pay restitution in an intensive all-day counseling and diversion class. The CONTRACTOR shall manage all pertinent case files and shall conduct special educational classes for bad check offenders diverted from prosecution or ordered to attend class by a court.

The CONTRACTOR shall develop and maintain an effective awareness campaign aimed at providing local small businesses throughout the COUNTY with multi-language informational materials, and an alternative bad check prevention strategy contained in the Bad Check Restitution Program; and anticipate and respond to growth in program volume by increasing program staffing and presence in Los Angeles County as necessary to perform as required by this Agreement.

## **1.0 APPLICABLE DOCUMENTS**

Exhibits A, B, C, D, E, F, G, H, I, and Technical Exhibits 1 and 2, are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority.

### **Standard Exhibits:**

- EXHIBIT A - Statement of Work
- EXHIBIT B - Pricing Schedule
- EXHIBIT C - Contractor's Proposed Schedule (**NOT APPLICABLE**)
- EXHIBIT D - Contractor's EEO Certification
- EXHIBIT E - County's Administration
- EXHIBIT F - Contractor's Administration
- EXHIBIT G - Forms Required at the Time of Contract Execution
- EXHIBIT H - Jury Service Ordinance
- EXHIBIT I - Safely Surrendered Baby Law

### **Technical Exhibits:**

- EXHIBIT 1 - Contract Discrepancy Report
- EXHIBIT 2 - Performance Requirements Summary (PRS) Chart



This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersede all previous Contracts, written and/or oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Sub-paragraph 8.4 - Change Notices and Amendments, and signed by both parties.

## **2.0 DEFINITIONS**

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 Contract:** Agreement executed between the COUNTY and the CONTRACTOR. It sets forth the terms and conditions for the issuance and performance of the *Statement of Work, Exhibit A*.
- 2.2 Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the COUNTY to perform or execute the work covered by the Statement of Work.
- 2.3 Contractor Project Manager:** The individual designated by the CONTRACTOR to administer the Contract operations after the Contract award.
- 2.4 County Project Monitor:** Person responsible for administrative tasks, inspections and audits of any and all tasks, deliverables, goods, services and other work provided by the CONTRACTOR.
- 2.5 County Project Director:** Person designated by COUNTY with authority for COUNTY on contractual or administrative matters relating to this Contract that cannot be resolved by the County's Project Manager.

- 2.6 County Project Manager:** Person with responsibility to oversee the day to day activities of this Contract. Person designated by County's Project Director to manage the operations under this Contract.
- 2.7 Day(s):** Calendar day(s) unless otherwise specified.
- 2.8 Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.

### **3.0 WORK**

- 3.1** Pursuant to the provisions of this Contract, the CONTRACTOR shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the *Statement of Work, Exhibit A*.
- 3.2** If the CONTRACTOR provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the CONTRACTOR, and the CONTRACTOR shall have no claim whatsoever against the COUNTY.

### **4.0 TERM OF CONTRACT**

- 4.1** The term of this Contract shall be one (1) year commencing upon execution by the BOARD, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2** The COUNTY shall have the sole option to extend this Contract term for up to two (2) additional one-year periods and three (3) month to month extensions, for a maximum total Contract term of three (3) years and three (3) months. Each such option and extension shall be exercised individually at the sole discretion of the District Attorney.
- 4.3** The CONTRACTOR shall notify COUNTY when this Contract is within six (6) months from the expiration of the term of the first contract year and each additional one-year option period as provided for hereinabove. Upon occurrence of this event, the CONTRACTOR shall send written notification

to the County Project Monitor at the address herein provided in *Exhibit E - County's Administration*.

## **5.0 CONTRACT SUM**

- 5.1** For the services performed under this contract, the CONTRACTOR shall charge, and collect from bad check writers, the fees as set forth in *Exhibit B, Pricing Schedule*.
- 5.2** The CONTRACTOR shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the CONTRACTOR's duties, responsibilities, or obligations, or performance of same by any entity other than the CONTRACTOR, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the COUNTY's express prior written approval.
- 5.3 No Payment for Services Provided Following Expiration/ Termination of Contract**

The CONTRACTOR shall have no claim against the COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the CONTRACTOR after the expiration or other termination of this Contract. Should the CONTRACTOR receive any such payment, it shall immediately notify the COUNTY and shall immediately repay all such funds to the COUNTY. Payment by the COUNTY for services rendered after expiration/termination of this Contract shall not constitute a waiver of the COUNTY's right to recover such payment from the CONTRACTOR. This provision shall survive the expiration or other termination of this Contract.



## **6.0 ADMINISTRATION OF CONTRACT – COUNTY**

### **COUNTY ADMINISTRATION**

A listing of all County Administration referenced in the following Sub-paragraphs are designated in *Exhibit E - County's Administration*. The COUNTY shall notify the CONTRACTOR in writing of any change in the names or addresses shown.

#### **6.1 County's Project Director**

- The County Project Director or designee has authority to ensure that the objectives of this Contract are met,
- The County Project Director has authority to make changes in the terms and conditions of this Contract in accordance with Sub-paragraph 8.4, Change Notices and Amendments;
- The County Project Director or designee has authority to provide direction to the CONTRACTOR in the areas relating to COUNTY policy, information requirements, and procedural requirements.
- The County Project Director or designee has authority to supervise CONTRACTOR's performance in the daily operation of this Contract; and
- The County Project Director or designee shall have complete and exclusive authority in all substantive questions, including without limitation, interpretation of Federal, State, and local laws, civil procedures, legal process, court rules and administrative regulations.

#### **6.2 County's Project Manager**

- The County's Project Manager is responsible for overseeing the day-to-day administration of this Contract.
- The County's Project Manager will meet with the CONTRACTOR's Project Manager on a regular basis.

- The County's Project Manager will inspect any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the CONTRACTOR.
- The County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate COUNTY in any respect whatsoever.

### **6.3 County's Project Monitor**

- The County's Project Monitor is responsible for administrative tasks, inspections and audit of any and all tasks, deliverable goods, services, and other work provided by the CONTRACTOR.

## **7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR**

### **7.1 Contractor's Project Manager**

- 7.1.1 The CONTRACTOR shall provide a full time, Contract Project Manager in the office servicing the contract to act as liaison for the CONTRACTOR in coordinating the performance under the Contract. The CONTRACTOR shall provide to the COUNTY in writing of the name, address, telephone number, facsimile number, and e-mail address in *Exhibit F - Contractor's Administration*, of the individual designated to act as the Contract Project Manager, and/or any alternate, and provide a current copy of the person's resume(s) at the time the contract is executed and as changes occur.
- 7.1.2 The CONTRACTOR's Project Manager shall be responsible for the CONTRACTOR's day-to-day activities as related to this Contract and shall coordinate all issues with the County's Project Manager and/or the County's Project Monitor on a regular basis.

**7.1.3** At a minimum, the Contract Project Manager or designee shall be available between 8:00 a.m. and 5:00 p.m. (PST), Monday through Friday, except on COUNTY recognized holidays, for telephone contact and to meet with COUNTY personnel designated to discuss the operation of the Contract. The Contract Project Manager shall have full authority to act for the CONTRACTOR on all matters relating to the daily operation of the Contract. When Contract work is performed at times other than described above, or when the Contract Project Manager cannot be present, an equally responsible individual shall be designated to act on behalf of the Contract Project Manager.

**7.1.4** The selection of, and any changes in, the Contract Project Manager and designated alternate shall be reported in writing, to the County Project Manager.

Minimum qualifications include:

- Three (3) years experience in the area of general business and financial management, including debt collection.

The Contractor's Project Manager and designee shall be able to read, write, speak, and understand English.

## **7.2 Other Key Personnel**

The COUNTY and CONTRACTOR shall each designate other key personnel to perform services under this Contract. Prior to official commencement date of this Contract, the CONTRACTOR shall provide the COUNTY with a list of all persons or entities it intends to employ in connection with this Contract. The CONTRACTOR must also notify the COUNTY of any staff changes as they occur, which may affect its ability to perform at any time over the life of this Contract.



The CONTRACTOR shall maintain a level of staffing commensurate with the timely processing of non-sufficient fund (NSF) complaints, public contacts, and educational requirements, and shall hire and train all qualified staff necessary to perform the various Bad Check Restitution Program functions, including but not limited to the following:

- Program Manager
- Field Representative(s)
- Field Representative Supervisor
- Case Manager(s)
- Diversion Class Instructors

**7.2.1** Any employee or agent of the CONTRACTOR providing services under the Bad Check Restitution Program which requires a specific license or credential must hold a current or valid license or credential without lapse, throughout the agreement period.

Any employee or agent of the CONTRACTOR who is required to drive a vehicle within the course and scope of employment related to the Bad Check Restitution Program shall hold a valid driver's license without lapse and for the appropriate vehicle class, throughout the agreement period.

The CONTRACTOR shall maintain a file of required insurance, licenses and credentials for the CONTRACTOR's business entity, all agents and employees, that is current and available for COUNTY inspection at all times upon request.

### **7.3 Background and Security Investigations**

**7.3.1** At any time prior to or during the term of this Contract, the COUNTY may further require that all CONTRACTOR's staff performing work under this Contract undergo and pass, to the satisfaction of COUNTY, a background investigation, as a condition of beginning and continuing to work under this Contract. COUNTY shall use its

discretion in determining the method of background clearance to be used, up to and including a COUNTY performed fingerprint security clearance. The fees associated with obtaining the background information shall be at the expense of the CONTRACTOR, regardless if the CONTRACTOR's staff passes or fails the background clearance investigation.

**7.3.2** COUNTY may request that the CONTRACTOR's staff be immediately removed from working on the COUNTY Contract at any time during the term of this Contract. COUNTY will not provide to the CONTRACTOR or to the CONTRACTOR's staff any information obtained through the COUNTY conducted background clearance.

**7.3.3** Disqualification, if any, of the CONTRACTOR's staff, pursuant to this Sub-paragraph 7.3, shall not relieve the CONTRACTOR of its obligation to complete all work in accordance with the terms and conditions of this Contract.

#### **7.4 Confidentiality**

All materials, data and other information of any kind obtained from COUNTY personnel and all materials, data, reports and other information of any kind developed by CONTRACTOR under this Contract are confidential, and are solely the property of the COUNTY. The CONTRACTOR shall take all necessary measures to protect and secure confidentiality of all such materials, data, reports, and information. The provisions of this section shall survive the expiration or other termination of this Contract.

The CONTRACTOR shall sign and adhere to the provisions of the *Contractor Acknowledgement and Confidentiality Agreement, Exhibit G1*.

The CONTRACTOR shall inform all its officers, employees, non-employees, agents, and subcontractors providing services hereunder of

the confidentiality provisions of this Contract. The CONTRACTOR shall cause each employee performing services covered by this Contract to adhere to all *Contractor Employee Acknowledgement and Confidentiality Agreement, Exhibit G2*.

The CONTRACTOR shall cause each non-employee performing services covered by this Contract to sign and adhere to the provisions of the *Contractor Non-Employee Acknowledgment and Confidentiality Agreement, Exhibit G3*.

Copies of all acknowledgments shall be provided to the County Project Monitor.

The CONTRACTOR shall remove any employees or agents violating the COUNTY confidentiality requirements. The CONTRACTOR shall further indemnify the COUNTY for any loss sustained or liability incurred by the COUNTY as a result of such breach.

## **8.0 STANDARD TERMS AND CONDITIONS**

### **8.1 ASSIGNMENT AND DELEGATION**

**8.1.1** The CONTRACTOR shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of COUNTY, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this sub-paragraph, COUNTY consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the COUNTY to any approved delegate, or assignee, on any claim under this Contract shall be deductible, at COUNTY's sole discretion, against the claims, which the CONTRACTOR may have against the COUNTY.

**8.1.2** Shareholders, partners, members, or other equity holders of



CONTRACTOR, may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment which is effected in such a way as to give majority control of CONTRACTOR to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of COUNTY in accordance with applicable provisions of this Contract.

**8.1.3** If any assumption, assignment, delegation, or takeover of any of the CONTRACTOR's duties, responsibilities, obligations, or performance of same by any entity other than the CONTRACTOR, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, without COUNTY's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONTRACTOR as it could pursue in the event of default by CONTRACTOR.

## **8.2 AUTHORIZATION WARRANTY**

CONTRACTOR represents and warrants that the person executing this contract for the CONTRACTOR is an authorized agent who has actual authority to bind the CONTRACTOR to each and every term, condition, and obligation of this Contract, and that all requirements of the CONTRACTOR have been fulfilled to provide such actual authority.

## **8.3 BUDGET REDUCTIONS**

In the event that the BOARD adopts, in any fiscal year, a COUNTY Budget which provides for reductions in the salaries and benefits paid to

the majority of COUNTY employees, and imposes similar reductions with respect to COUNTY Contracts, the COUNTY reserves the right to reduce its obligation under this Contract correspondingly for that fiscal year, and any subsequent fiscal year, during the term of this Contract (including any extensions), and the services to be provided by the CONTRACTOR under this Contract shall also be reduced correspondingly. The COUNTY's notice to the CONTRACTOR regarding said reduction in obligation shall be provided within thirty (30) calendar days of the BOARD's approval of such actions. Except as set forth in the preceding sentence, the CONTRACTOR shall continue to provide all of the services set forth in this Contract.

#### **8.4 CHANGE NOTICES AND AMENDMENTS**

**8.4.1** The COUNTY reserves the right to initiate Change Notices that **do not affect** the scope, term, Contract Sum or payments. All such changes shall be accomplished with an executed Change Notice signed by the Contractor's Project Manager, and by the District Attorney of Los Angeles County.

**8.4.2** For any change which affects the scope of work, term, Contract sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor's Project Manager and by the District Attorney of Los Angeles County or BOARD.

**8.4.3** The COUNTY's BOARD, or the Chief Administrative Officer, or designee, may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the COUNTY's BOARD or Chief Administrative Officer. To implement such changes, an Amendment to the Contract shall be prepared and executed by the District Attorney of Los Angeles County and Contractor's Project Manager.

**8.4.4** The District Attorney or BOARD may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - Term of Contract. The CONTRACTOR agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the Contractor's Project Manager and by the District Attorney of Los Angeles County.

## **8.5 COMPLAINTS**

The CONTRACTOR shall develop, maintain, and operate procedures for receiving, investigating, and responding to complaints.

**8.5.1** Within ten (10) business days after the Contract effective date, the CONTRACTOR shall provide the COUNTY with the CONTRACTOR's policy for receiving, investigating, and responding to user complaints.

**8.5.2** The COUNTY will review the CONTRACTOR's policy and provide the CONTRACTOR with approval of said plan, or with requested changes.

**8.5.3** If the COUNTY requests changes in the CONTRACTOR's policy, the CONTRACTOR shall make such changes and resubmit the plan within five (5) business days for COUNTY approval.

**8.5.4** If, at any time, the CONTRACTOR wishes to change the CONTRACTOR's policy, the CONTRACTOR shall submit all proposed changes to the COUNTY for approval before implementation.

**8.5.5** The CONTRACTOR shall preliminarily investigate all complaints and notify the County's Project Manager of the status of the



investigation within five (5) business days of receiving the complaint.

**8.5.6** When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

**8.5.7** Copies of all written responses shall be sent to the County's Project Manager within three (3) business days of mailing to the complaint.

## **8.6 COMPLIANCE WITH APPLICABLE LAW**

**8.6.1** The CONTRACTOR shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

**8.6.2** The CONTRACTOR shall indemnify and hold harmless the COUNTY from and against, any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from, or related to, any violation on the part of the CONTRACTOR or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

## **8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS**

The CONTRACTOR hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by

this Contract. The Contractor shall comply with *Exhibit D - Contractor's EEO Certification*.

## **8.8 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM**

### **8.8.1 Jury Service Program:**

This Contract is subject to the provisions of the COUNTY's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as *Exhibit H*, and incorporated by reference into and made a part of this Contract.

### **8.8.2 Written Employee Jury Service Policy**

1. Unless the CONTRACTOR has demonstrated to the COUNTY's satisfaction either that the Contractor is not a "CONTRACTOR" as defined under the Jury Service Program (Section 2.203.020 of the County Code), or that the CONTRACTOR qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the CONTRACTOR shall have and adhere to a written policy that provides that its Employees shall receive from the CONTRACTOR, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the CONTRACTOR, or that the CONTRACTOR deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this Sub-paragraph, "CONTRACTOR" means a person, partnership, corporation, or other entity which has a contract with the COUNTY, or a subcontract with a County Contractor, and has received, or will receive, an aggregate

sum of \$50,000 or more in any 12-month period under one or more COUNTY contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the CONTRACTOR. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the COUNTY, or 2) CONTRACTOR has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the CONTRACTOR uses any Subcontractor to perform services for the COUNTY under the Contract, the Subcontractor shall also be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract agreement, and a copy of the Jury Service Program shall be attached to the agreement.

3. If the CONTRACTOR is not required to comply with the Jury Service Program when the Contract commences, the CONTRACTOR shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the CONTRACTOR shall immediately notify the COUNTY if the CONTRACTOR at any time either comes within the Jury Service Program's definition of "CONTRACTOR" or if the CONTRACTOR no longer qualifies for an exception to the Jury Service Program. In either event, the CONTRACTOR shall immediately implement a written policy consistent with the Jury Service Program. The COUNTY may also require, at any time during the Contract and at its sole discretion, that the CONTRACTOR demonstrate to the COUNTY's satisfaction that the Contractor either continues to remain outside of the Jury Service



Program's definition of "CONTRACTOR" and/or that the CONTRACTOR continues to qualify for an exception to the Program.

4. CONTRACTOR's violation of this Sub-paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, COUNTY may, in its sole discretion, terminate the Contract and/or bar the CONTRACTOR from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach.

## **8.9 CONFLICT OF INTEREST**

**8.9.1** No COUNTY employee whose position with the COUNTY enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the CONTRACTOR or have any other direct or indirect financial interest in this Contract. No officer or employee of the CONTRACTOR, who may financially benefit from the performance of work hereunder, shall in any way participate in the COUNTY's approval, or ongoing evaluation of such work, or in any way attempt to unlawfully influence the COUNTY's approval or ongoing evaluation of such work.

**8.9.2** The CONTRACTOR shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The CONTRACTOR warrants that it is not now aware of any facts that create a conflict of interest. If the CONTRACTOR hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the COUNTY. Full written disclosure shall include, but is

not limited to, identification of all persons implicated, and a complete description of all relevant circumstances. Failure to comply with the provisions of this Sub-paragraph shall be a material breach of this Contract.

#### **8.10 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST**

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

#### **8.11 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS**

**8.11.1** Should the CONTRACTOR require additional or replacement personnel after the effective date of this Contract, the CONTRACTOR shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program, or General Relief Opportunity for Work (GROW) Program, who meet the CONTRACTOR's minimum qualifications for the open position. For this purpose, consideration shall mean that the CONTRACTOR will interview qualified candidates. The COUNTY will refer GAIN/GROW participants by job category to the CONTRACTOR.

**8.11.2** In the event that both laid-off COUNTY employees and GAIN/GROW participants are available for hiring, COUNTY employees shall be given first priority.

## **8.12 CONTRACTOR RESPONSIBILITY AND DEBARMENT**

### **8.12.1 Responsible Contractor**

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the Contract. It is the COUNTY's policy to conduct business only with responsible Contractors.

### **8.12.2 Chapter 2.202 of the County Code**

The CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the COUNTY acquires information concerning the performance of the CONTRACTOR on this, or other Contracts which indicates that the CONTRACTOR is not responsible, the COUNTY may, in addition to other remedies provided in the Contract, debar the CONTRACTOR from bidding or proposing on, or being awarded, and/or performing work on COUNTY Contracts for a specified period of time, which generally will not exceed five years but may exceed five years, or be permanent if warranted by the circumstances, and terminate any or all existing Contracts the CONTRACTOR may have with the COUNTY.

### **8.12.3 Non-responsible Contractor**

The COUNTY may debar a Contractor if the BOARD finds, in its discretion, that the CONTRACTOR has done any of the following: (1) violated a term of a contract with the COUNTY or a nonprofit corporation created by the COUNTY, (2) committed an act or omission which negatively reflects on the CONTRACTOR'S quality, fitness, or capacity to perform a contract with the COUNTY, any other public entity, or a nonprofit corporation created by the COUNTY, or engaged in a pattern or practice which negatively



reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the COUNTY or any other public entity.

#### **8.12.4 Contractor Hearing Board**

1. If there is evidence that the CONTRACTOR may be subject to debarment, the LADA will notify the CONTRACTOR in writing of the evidence which is the basis for the proposed debarment, and will advise the CONTRACTOR of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The CONTRACTOR and/or the CONTRACTOR's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the CONTRACTOR should be debarred, and if so, the appropriate length of time of the debarment. The CONTRACTOR and the LADA shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the BOARD. If the CONTRACTOR fails to avail himself of the opportunity to submit evidence to the Contractor Hearing Board, the CONTRACTOR may be deemed to have waived all rights of appeal.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the BOARD. The BOARD shall have the

right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a CONTRACTOR has been debarred for a period longer than five (5) years, that CONTRACTOR may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment, or terminate the debarment. The COUNTY may in its discretion, reduce the period of debarment, or terminate the debarment if it finds that the CONTRACTOR has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the COUNTY.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the CONTRACTOR has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment, or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the BOARD. The BOARD shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

#### **8.12.5 Subcontractors of Contractor**

These terms shall also apply to Subcontractors of County Contractors.

### **8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW**

The CONTRACTOR acknowledges that the COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law. The CONTRACTOR understands that it is the COUNTY's policy to encourage all County Contractors to voluntarily post the COUNTY's "Safely Surrendered Baby Law" poster in a prominent position at the CONTRACTOR's place of business. The CONTRACTOR will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the CONTRACTOR with the poster to be used.

### **8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

**8.14.1** The CONTRACTOR acknowledges that the COUNTY has established a goal of ensuring that all individuals who benefit financially from the COUNTY through a Contract, are in compliance with their court-ordered child, family, and spousal



support obligations in order to mitigate the economic burden otherwise imposed upon the COUNTY and its taxpayers.

**8.14.2** As required by the COUNTY's Child Support Compliance Program (County Code Chapter 2.200), and without limiting the CONTRACTOR's duty under this Contract to comply with all applicable provisions of law, the CONTRACTOR warrants that it is now in compliance, and shall during the term of this Contract, maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a), and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders, or Child Support Services Department Notices of Wage and Earnings Assignment, for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031, and Family Code Section 5246(b).

## **8.15 COUNTY'S QUALITY ASSURANCE PLAN**

The COUNTY or its agent will evaluate the CONTRACTOR's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the CONTRACTOR's compliance with all Contract terms and conditions, and performance standards as defined in this Contract and by the County Project Manager.

CONTRACTOR deficiencies, which the COUNTY determines are severe or continuing, and that may place performance of the Contract in jeopardy if not corrected, will be reported to the BOARD. The report will include improvement/corrective action measures taken by the COUNTY and the CONTRACTOR. If improvement does not occur consistent with the corrective action measures, the COUNTY may terminate this Contract or impose other penalties as specified in this Contract.

## **8.16 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS**

**8.16.1** The CONTRACTOR shall repair, or cause to be repaired, at its own cost, any and all damage to COUNTY facilities, buildings, or grounds caused by the CONTRACTOR, or employees or agents of the CONTRACTOR. Such repairs shall be made immediately after the CONTRACTOR has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

**8.16.2** If the CONTRACTOR fails to make timely repairs, COUNTY may make any necessary repairs. All costs incurred by COUNTY, as determined by COUNTY for such repairs, shall be repaid by the CONTRACTOR by cash payment upon demand.

## **8.17 EMPLOYMENT ELIGIBILITY VERIFICATION**

**8.17.1** The CONTRACTOR warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others, and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The CONTRACTOR shall retain all such documentation for all covered employees for the period prescribed by law.

**8.17.2** The CONTRACTOR shall indemnify, defend, and hold harmless, the COUNTY, its agents, officers, and employees from employer sanctions, and any other liability which may be assessed against

the CONTRACTOR, or the COUNTY, or both, in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

#### **8.18 FACSIMILE REPRESENTATIONS**

The COUNTY and the CONTRACTOR hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Change Notices and Amendments prepared pursuant to Sub-paragraph 8.4, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices and Amendments to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

#### **8.19 FAIR LABOR STANDARDS**

The CONTRACTOR shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless the COUNTY and its agents, officers, and employees, from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the COUNTY may be found jointly or solely liable.

#### **8.20 FORCE MAJEURE**

**8.20.1** Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this *Contract*, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other



than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").

**8.20.2** Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

**8.20.3** In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

## **8.21 GOVERNING LAW, JURISDICTION, AND VENUE**

This Contract shall be governed by, and construed in accordance with the laws of the State of California. The CONTRACTOR agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract, and further agrees and consents that venue of any action brought hereunder shall be exclusively in the COUNTY.

## **8.22 INDEPENDENT CONTRACTOR STATUS**

**8.22.1** This Contract is by and between the COUNTY and the CONTRACTOR, and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the COUNTY and the CONTRACTOR. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

**8.22.2** The CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract, all compensation and benefits. The COUNTY shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the CONTRACTOR.

**8.22.3** The CONTRACTOR understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the CONTRACTOR, and not employees of the COUNTY. The CONTRACTOR shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from, or connected with any work performed by or on behalf of the CONTRACTOR pursuant to this Contract.

**8.22.4** The CONTRACTOR shall adhere to the provisions stated in Sub-paragraph 7.4- Confidentiality.

## **8.23 INDEMNIFICATION**

The CONTRACTOR shall indemnify, defend, and hold harmless the COUNTY, its Special Districts, elected and appointed officers, employees,

and agents, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the CONTRACTOR's acts and/or omissions arising from, and/or relating to this Contract.

## **8.24 GENERAL INSURANCE REQUIREMENTS**

Without limiting the CONTRACTOR's indemnification of the COUNTY, and during the term of this Contract, the CONTRACTOR shall provide and maintain, and shall require all of its Subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the COUNTY. Such coverage shall be provided and maintained at the CONTRACTOR's own expense.

### **8.24.1 Evidence of Insurance:**

Certificate(s) or other evidence of coverage satisfactory to the COUNTY shall be delivered to:

Los Angeles County  
District Attorney's Office  
ATTN: Corina M. Calixto  
Bureau of Management and Budget  
201 North Figueroa Street, Suite 1300  
Los Angeles, CA 90012

prior to commencing services under this Contract. Such certificates or other evidence shall:

- Specifically identify this Contract;
- Clearly evidence all coverages required in this Contract;
- Contain the express condition that the COUNTY is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the



certificate of insurance;

- Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees, as insureds for all activities arising from this Contract; and
- Identify any deductibles or self-insured retentions for the COUNTY's approval. The COUNTY retains the right to require the CONTRACTOR to reduce or eliminate such deductibles or self-insured retentions as they apply to the COUNTY, or, require the CONTRACTOR to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

#### **8.24.2 Insurer Financial Ratings:**

Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII unless otherwise approved by the COUNTY.

#### **8.24.3 Failure to Maintain Coverage:**

Failure by the CONTRACTOR to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the COUNTY, shall constitute a material breach of the Contract upon which the COUNTY may immediately terminate or suspend this Contract. The COUNTY, at its sole option, may obtain damages from the CONTRACTOR resulting from said breach. Alternatively, the COUNTY may purchase such required

insurance coverage, and without further notice to the CONTRACTOR, the COUNTY may deduct from sums due to the CONTRACTOR any premium costs advanced by the COUNTY for such insurance.

#### **8.24.4 Notification of Incidents, Claims or Suits:**

CONTRACTOR shall report to the COUNTY:

- Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the CONTRACTOR, and/or the COUNTY. Such report shall be made in writing within 24 hours of occurrence.
- Any third party claim or lawsuit filed against the CONTRACTOR arising from, or related to services performed by the CONTRACTOR under this Contract.
- Any injury to a CONTRACTOR employee that occurs on COUNTY property. This report shall be submitted on a COUNTY "Non-employee Injury Report" to the County's Project Manager.
- Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to the CONTRACTOR under the terms of this Contract.

#### **8.24.5 Compensation for County Costs:**

In the event that the CONTRACTOR fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to the COUNTY,

the CONTRACTOR shall pay full compensation for all costs incurred by the COUNTY.

#### **8.24.6 Insurance Coverage Requirements for Subcontractors:**

The CONTRACTOR shall ensure any and all Subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

- The CONTRACTOR providing evidence of insurance covering the activities of Subcontractors, or
- The CONTRACTOR providing evidence submitted by Subcontractors evidencing that Subcontractors maintain the required insurance coverage. The COUNTY retains the right to obtain copies of evidence of Subcontractor insurance coverage at any time.

### **8.25 INSURANCE COVERAGE REQUIREMENTS**

**8.25.1 General Liability** insurance written on ISO policy form CG 00 01 or its equivalent with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

**8.25.2 Automobile Liability** written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired", and "non-owned" vehicles, or coverage for "any auto".

**8.25.3 Workers' Compensation and Employers' Liability** insurance providing workers' compensation benefits, as required by the



Labor Code of the State of California, or by any other state, and for which the CONTRACTOR is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

**8.25.4 Crime Coverage:** Insurance with limits in amounts not less than \$5,000,000 covering against loss of money, securities, or other property referred to in this Contract, which may result from employee dishonesty, forgery or alteration, theft, disappearance and destruction, computer fraud, burglary and robbery. Such insurance shall name the COUNTY as loss payee.

## **8.26 LIQUIDATED DAMAGES**

**8.26.1** If the District Attorney determines that there are deficiencies in the performance of this Contract that the District Attorney deems are correctable by the CONTRACTOR over a certain time span, the District Attorney will provide a written notice to the CONTRACTOR to correct the deficiency within specified time frames. Should the CONTRACTOR fail to correct deficiencies within said time frame, the District Attorney may:

- (a) Deduct from the CONTRACTOR's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or
- (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the CONTRACTOR to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred

Dollars (\$100) per day per infraction, or as specified in the *Performance Requirements Summary (PRS) Chart*, as defined in *Technical Exhibit 2*, hereunder, and that the CONTRACTOR shall be liable to the COUNTY for liquidated damages in said amount. Said amount shall be paid directly to the COUNTY within 30 days of the notification letter;

- (c) Upon giving ten (10) days notice to the CONTRACTOR for failure to correct the deficiencies, the COUNTY may correct any and all deficiencies and the total costs incurred by the COUNTY for completion of the work by an alternate source, whether it be COUNTY forces, or separate private contractor, will be billed to CONTRACTOR and payable within 30 days.

**8.26.2** The action noted in Sub-paragraph 8.26.1 shall not be construed as a penalty, but as adjustment of payment by the CONTRACTOR to recover the COUNTY cost due to the failure of the CONTRACTOR to complete or comply with the provisions of this Contract.

**8.26.3** This Sub-paragraph shall not, in any manner, restrict or limit the COUNTY's right to damages for any breach of this Contract provided by law or as specified in the PRS, or Sub-paragraph 8.26.1, and shall not, in any manner, restrict or limit the COUNTY's right to terminate this Contract as agreed to herein.

## **8.27 MOST FAVORED PUBLIC ENTITY**

If the CONTRACTOR's prices decline, or should the CONTRACTOR at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California, or any county, municipality, or district of the State at prices below those set

forth in this Contract, then such lower prices shall be immediately extended to the COUNTY.

## **8.28 NONDISCRIMINATION AND AFFIRMATIVE ACTION**

**8.28.1** The CONTRACTOR certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies, are and shall be treated equally without regard to, or because, of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

**8.28.2** The CONTRACTOR shall certify to, and comply with, the provisions of *Exhibit D - Contractor's EEO Certification*.

**8.28.3** The CONTRACTOR shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship.

**8.28.4** The CONTRACTOR certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to, or because of, race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.

**8.28.5** The CONTRACTOR certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that



no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract, or under any project, program, or activity supported by this Contract.

- 8.28.6** The CONTRACTOR shall allow COUNTY representatives access to the CONTRACTOR's employment records during regular business hours to verify compliance with the provisions of this Sub-paragraph 8.28 when so requested by the COUNTY.
- 8.28.7** If the COUNTY finds that any provisions of this Sub-paragraph 8.27 have been violated, such violation shall constitute a material breach of this Contract upon which the COUNTY may terminate or suspend this Contract. While the COUNTY reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment Practices Commission, or the Federal Equal Employment Opportunity Commission that the CONTRACTOR has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the COUNTY that the CONTRACTOR has violated the anti-discrimination provisions of this Contract.
- 8.28.8** The parties agree that in the event the CONTRACTOR violates any of the anti-discrimination provisions of this Contract, the COUNTY shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671, as liquidated damages in lieu of terminating or suspending this Contract.

## **8.29 NON EXCLUSIVITY**

Nothing herein is intended, nor shall be construed, as creating any exclusive arrangement with the CONTRACTOR. This Contract shall not restrict the LADA from acquiring similar, equal or like goods and/or services from other entities or sources.

## **8.30 NOTICE OF DELAYS**

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) day, give notice thereof, including all relevant information with respect thereto, to the other party.

## **8.31 NOTICE OF DISPUTES**

The County Project Manager shall consult with the Contractor Project Manager to resolve any problems or deficiencies related to CONTRACTOR performance and to bad check services provided under this Contract. The County Project Manager shall determine whether the CONTRACTOR is in violation of any performance standards set forth herein. If the COUNTY determines that any contractor performance deficiencies are severe, or may jeopardize services under the Bad Check Restitution Services Agreement if left uncorrected, the COUNTY may terminate the agreement according to the provision of this Contract.

Any dispute between the COUNTY and CONTRACTOR involving services provided under this Contract that can not be resolved between the County Project Manager and CONTRACTOR's Project Manager, shall be referred to the County Project Director or a designee for final resolution.

## **8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT**

The CONTRACTOR shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

### **8.33 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW**

The CONTRACTOR shall notify and provide to its employees, and shall require each Subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in *Exhibit I* of this Contract, and is also available on the Internet at [www.babysafela.org](http://www.babysafela.org) for printing purposes.

### **8.34 NOTICES**

All notices or demands required or permitted to be given or made under this Contract shall be in writing, and shall be hand delivered with signed receipt, or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in *Exhibits E - County's Administration and F - Contractor's Administration*. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The District Attorney shall have the authority to issue all notices or demands required or permitted by the COUNTY under this Contract.

**8.34.1** In the event of suspension or termination of this Contract, notices may be given upon personal delivery to the CONTRACTOR's Contract Administrator whose actual receipt of such suspension or termination shall be deemed to be sufficient notice to CONTRACTOR.



### **8.35 PROHIBITION AGAINST INDUCEMENT OR PERSUASION**

Notwithstanding the above, the CONTRACTOR and the COUNTY agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce, or persuade any employee of one party to become an employee, or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

### **8.36 PUBLIC RECORDS ACT**

**8.36.1** Any documents submitted by the CONTRACTOR; all information obtained in connection with the COUNTY's right to audit and inspect the CONTRACTOR's documents, books, and accounting records pursuant to Sub-paragraph 8.38 - Record Retention and Inspection/Audit Settlement of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the COUNTY. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The COUNTY shall not in any way be liable, or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

**8.36.2** In the event the COUNTY is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the CONTRACTOR agrees to defend, and indemnify the COUNTY

from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

### **8.37 PUBLICITY – DISCLOSURE OF INFORMATION AND USE OF COUNTY NAME**

**8.37.1** The CONTRACTOR shall not disclose any details in connection with this Contract to any person, or entity except as may be otherwise provided hereunder, or required by law. However, in recognizing the CONTRACTOR's need to identify its services and related clients to sustain itself, the COUNTY shall not inhibit the CONTRACTOR from publishing its role under this Contract within the following conditions:

- The CONTRACTOR shall develop all publicity material in a professional manner; and
- During the term of this Contract, the CONTRACTOR shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the COUNTY without the prior written consent of the County's Project Director. The COUNTY shall not unreasonably withhold written consent.

**8.37.2** The CONTRACTOR may, without the prior written consent of COUNTY, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Sub-paragraph 8.37 shall apply.

### **8.38 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT**

The CONTRACTOR will keep logs, databases, and other records set forth in this agreement to allow case-by-case tracking global reviews of the

CONTRACTOR's bad check operation by the COUNTY, upon demand. The CONTRACTOR shall maintain personnel files for all its employees working at any time on this Contract. These files shall be made available to the COUNTY upon demand, and be retained by the CONTRACTOR until the COUNTY authorizes their destruction, or under the terms described herein.

The CONTRACTOR shall maintain accurate and complete financial records of its activities, and operations relating to this Contract in accordance with generally accepted accounting principles. This shall include computerized records that encompass the entire bad check collection process, including data on the bad checks received, victims and bad check writers, any restitution or fees collected, disbursements, cases closed and referrals for prosecution. This information shall be made available to the COUNTY in printed and electronic form and in a format to be specified by the COUNTY. Electronic and hard copy archives shall be maintained by the CONTRACTOR as specified by the COUNTY, including monthly back-ups of the entire bad check electronic data system. The COUNTY may modify record maintenance requirements as needed.

The CONTRACTOR shall also maintain accurate and complete employment, and other records relating to its performance of this Contract. The CONTRACTOR agrees that the COUNTY, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets, and other time and employment records, and proprietary data and information, shall be kept and maintained by the CONTRACTOR, and shall be made available to the COUNTY during the term of this Contract, and for a period of five (5) years thereafter unless the COUNTY's written permission is given to dispose of any such material prior to such time. All such material shall be maintained



by the CONTRACTOR at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the COUNTY's option, the CONTRACTOR shall pay the COUNTY for travel, per diem, and other costs incurred by the COUNTY to examine, audit, excerpt, copy, or transcribe such material at such other location.

Upon expiration, or in the event that this Agreement is cancelled by the COUNTY, all records, reports, tests and results, case files, correspondence and control documents, manuals, currency and negotiable instruments, relating to the operation of the Bad Check Restitution Program, shall be distributed and returned as directed by the COUNTY. Copies instead of original documentation may be returned, but the COUNTY retains all rights of access to the original whenever necessary. All materials described above shall be designated and remain COUNTY property.

The CONTRACTOR shall produce any records pertaining to any relevant transaction or activity arising from this Bad Check Restitution Program Services Agreement for inspection, copying, or audit by the COUNTY, or any authorized State or Federal agency, within two (2) calendar days of the COUNTY's initial written request for such records.

**8.38.1** In the event that an audit of the CONTRACTOR is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the CONTRACTOR or otherwise, then the CONTRACTOR shall file a copy of such audit report with the County's Auditor-Controller and the County Project Monitor within thirty (30) days of the CONTRACTOR's receipt thereof, unless otherwise provided by applicable Federal or State law, or under this Contract. Subject to applicable law, the COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s).

**8.38.2** Failure on the part of the CONTRACTOR to comply with any of the provisions of this Sub-paragraph 8.38 shall constitute a material

breach of this Contract upon which the COUNTY may terminate, or suspend this Contract.

**8.38.3** If, at any time during the term of this Contract, or within five (5) years after the expiration, or termination of this Contract, representatives of the COUNTY conduct an audit of the CONTRACTOR regarding the work performed under this Contract, and if such audit finds that the CONTRACTOR owes bad check victims or the COUNTY, that sum must be paid within seven (7) calendar days of the audit finding which specifies the amount owed.

If such an audit finds that the CONTRACTOR is owed an amount, that amount must be paid within thirty (30) calendar days of the audit finding which specifies the amount owed.

#### **8.39 RECYCLED BOND PAPER**

Consistent with the BOARD's policy to reduce the amount of solid waste deposited at the COUNTY landfills, the CONTRACTOR agrees to use recycled-content paper to the maximum extent possible on this Contract.

#### **8.40 SUBCONTRACTING**

**8.40.1** The requirements of this Contract may not be subcontracted by the CONTRACTOR **without the advance approval of the COUNTY.** Any attempt by the CONTRACTOR to subcontract without the prior consent of the COUNTY may be deemed a material breach of this Contract.

**8.40.2** If the CONTRACTOR desires to subcontract, the CONTRACTOR shall provide the following information promptly at the COUNTY's request:

- A description of the work to be performed by the Subcontractor; and

- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the COUNTY.

**8.40.3** The CONTRACTOR shall indemnify, and hold the COUNTY harmless with respect to the activities of each and every Subcontractor in the same manner, and to the same degree as if such Subcontractor(s) were the CONTRACTOR employees.

**8.40.4** The CONTRACTOR shall remain fully responsible for all performances required of it under this Contract, including those that the CONTRACTOR has determined to subcontract, notwithstanding the COUNTY's approval of the CONTRACTOR's proposed subcontract.

**8.40.5** The COUNTY's consent to subcontract shall not waive the COUNTY's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The CONTRACTOR is responsible to notify its Subcontractors of this COUNTY right.

**8.40.6** The County's Project Director is authorized to act for, and on behalf of the COUNTY with respect to approval of any subcontract, and Subcontractor employees.

**8.40.7** The CONTRACTOR shall be solely liable and responsible for all payments or other compensation to all Subcontractors, and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the COUNTY's consent to subcontract.

**8.40.8** The CONTRACTOR shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the COUNTY from each approved



Subcontractor. The CONTRACTOR shall ensure delivery of all such documents to:

Los Angeles County  
District Attorney's Office  
ATTN: Corina M. Calixto  
201 North Figueroa Street, Suite 1300  
Los Angeles, CA 90012

before any Subcontractor employee may perform any work hereunder.

#### **8.41 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

Failure of the CONTRACTOR to maintain compliance with the requirements set forth in Sub-paragraph 8.14 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute default under this Contract. Without limiting the rights and remedies available to the COUNTY under any other provision of this Contract, failure of the CONTRACTOR to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the COUNTY may terminate this Contract pursuant to Sub-paragraph 8.43 - Termination for Default and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

#### **8.42 TERMINATION FOR CONVENIENCE**

**8.42.1** This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the COUNTY, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the CONTRACTOR specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The

date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

**8.42.2** After receipt of a notice of termination and except as otherwise directed by the COUNTY, the CONTRACTOR shall:

- Stop work under this Contract on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

**8.42.3** All material including books, records, documents, or other evidence bearing on the costs and expenses of the CONTRACTOR under this Contract shall be maintained by the CONTRACTOR in accordance with Sub-paragraph 8.38, Record Retention & Inspection/Audit Settlement.

#### **8.43 TERMINATION FOR DEFAULT**

**8.43.1** The COUNTY may, by written notice to the CONTRACTOR, terminate the whole or any part of this Contract, if, in the judgment of County's Project Director.

- CONTRACTOR has materially breached this Contract; or
- CONTRACTOR fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- CONTRACTOR fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as

the COUNTY may authorize in writing) after receipt of written notice from the COUNTY specifying such failure.

**8.43.2** In the event that the COUNTY terminates this Contract in whole or in part as provided in Sub-paragraph 8.43.1, the COUNTY may procure, upon such terms and in such manner as the COUNTY may deem appropriate, goods and services similar to those so terminated. The CONTRACTOR shall be liable to the COUNTY for any and all excess costs incurred by the COUNTY, as determined by the COUNTY, for such similar goods and services. The CONTRACTOR shall continue the performance of this Contract to the extent not terminated under the provisions of this Sub-paragraph.

**8.43.3** Except with respect to defaults of any Subcontractor, the CONTRACTOR shall not be liable for any such excess costs of the type identified in Sub-paragraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the CONTRACTOR. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the COUNTY in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault, or negligence of the CONTRACTOR. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the CONTRACTOR and Subcontractor, and without the fault or negligence of either of them, the CONTRACTOR shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the required



performance schedule. As used in this Sub-paragraph 8.4233, the terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) at any tier.

**8.43.4** If, after the COUNTY has given notice of termination under the provisions of this Sub-paragraph 8.43, it is determined by the COUNTY that the CONTRACTOR was not in default under the provisions of this Sub-paragraph 8.43, or that the default was excusable under the provisions of Sub-paragraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Sub-paragraph 8.42 - Termination for Convenience.

**8.43.5** The rights and remedies of the COUNTY provided in this Sub-paragraph 8.43 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **8.44 TERMINATION FOR IMPROPER CONSIDERATION**

**8.44.1** The COUNTY may, by written notice to the CONTRACTOR, immediately terminate the right of the CONTRACTOR to proceed under this Contract if it is found that consideration, in any form, was offered or given by the CONTRACTOR, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the CONTRACTOR's performance pursuant to this Contract. In the event of such termination, the COUNTY shall be entitled to pursue the same remedies against the CONTRACTOR as it could pursue in the event of default by the CONTRACTOR.

**8.44.2** The CONTRACTOR shall immediately report any attempt by a County officer or employee to solicit such improper consideration.

The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

- 8.44.3** Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

#### **8.45 TERMINATION FOR INSOLVENCY**

- 8.45.1** The COUNTY may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the CONTRACTOR. The CONTRACTOR shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the CONTRACTOR is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the CONTRACTOR under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the CONTRACTOR; or
- The execution by the CONTRACTOR of a general assignment for the benefit of creditors.

- 8.45.2** The rights and remedies of the COUNTY provided in this Subparagraph 8.45 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **8.46 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE**

The CONTRACTOR, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the CONTRACTOR, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the CONTRACTOR or any County Lobbyist or County Lobbying firm retained by the CONTRACTOR to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the COUNTY may in its sole discretion, immediately terminate or suspend this Contract.

#### **8.47 TERMINATION FOR NON-APPROPRIATION OF FUNDS**

Notwithstanding any other provision of this Contract, the COUNTY shall not be obligated for the CONTRACTOR's performance hereunder or by any provision of this Contract during any of the COUNTY's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The COUNTY shall notify the CONTRACTOR in writing of any such non-allocation of funds at the earliest possible date.

#### **8.48 VALIDITY**

If any provision of this Contract or the application thereof to any person, or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

#### **8.49 WAIVER**

No waiver by the COUNTY of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure



of the COUNTY to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **8.50 WARRANTY AGAINST CONTINGENT FEES**

**8.50.1** The CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract, or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CONTRACTOR for the purpose of securing business.

**8.50.2** For breach of this warranty, the COUNTY shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

IN WITNESS WHEREOF, CONTRACTOR has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR: 25 COUNTY OF LOS ANGELES

By Michael Schreck  
Name  
CEO  
Title

By [Signature]  
Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI  
Executive Officer-Clerk  
of the Board of Supervisors



I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

By [Signature]

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

Raymond G. Fortner, Jr.  
County Counsel

By [Signature]  
Deputy

By [Signature]  
Principal Deputy County Counsel

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

50 JUL 31 2007

[Signature]  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**EXHIBIT A**  
**STATEMENT OF WORK (SOW)**

**1.0 SCOPE OF WORK**

- 1.1** CONTRACTOR shall assume daily operational responsibility for the COUNTY's Bad Check Restitution Program; establish a Bad Check Restitution Program in COUNTY; and provide all related services as described in Section 7.0 Specific Work Requirements herein.
- 1.2** CONTRACTOR must perform to the standards in Paragraph 8.0, Performance Requirements Summary (PRS) herein.

**2.0 QUALITY CONTROL**

The CONTRACTOR shall establish and utilize a comprehensive Quality Control Plan (Plan) to assure the COUNTY a consistently high level of service throughout the term of the Contract. The Plan shall include, but may not be limited to the following:

- 2.1** A monitoring system covering all services listed under the PRS in Paragraph 8.0 herein. It must specify the methods for assuring and verifying that the minimum requirements for the Bad Check Restitution Program services are met. The Plan shall specify how the methods are to be implemented and identify the CONTRACTOR staff who will perform the assurance and verification tasks.
- 2.2** A record of all inspections conducted by the CONTRACTOR, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, shall be provided to the COUNTY upon request.



- 2.3** An emergency plan that covers the method for continuing to provide services to the COUNTY in the event of an emergency that disrupts CONTRACTOR's Operations.
- 2.4** All changes must be made in accordance with Sub-paragraph 8.4, Change Notices and Amendments of the Contract.
- 2.5** The CONTRACTOR shall provide a plan and describe the methods for continuing to assure service to the COUNTY in the event of a strike by the CONTRACTOR's employees, and that employees will cross picket lines in the event of a strike or other work stoppage by COUNTY employees.

### **3.0 QUALITY ASSURANCE PLAN**

The COUNTY will evaluate the CONTRACTOR's performance under this Contract using the quality assurance procedures as defined in this Contract, Paragraph 8.0, Standard Terms and Conditions, Sub-paragraph 8.15, County's Quality Assurance Plan and as described herein.

- 3.1** CONTRACTOR is required to attend all scheduled monthly meetings when scheduled. There will be one meeting scheduled each of the first three months of this contract. Failure to attend will cause an assessment of fifty dollars (\$50.00).
- 3.2** The COUNTY shall have the right to interview and/or examine any prospective employee to be assigned to the program to determine the skills of the individual provided.
- 3.3** The CONTRACTOR shall immediately replace any of the Contractor's employees who do not meet the minimum requirements as specified in the Contract, Sub-paragraph 7.1 Contractor's Project Manager, and Sub-paragraph 7.2 Other Key Personnel, or do not otherwise provide satisfactorily service.

- 3.4** The COUNTY shall evaluate the CONTRACTOR's performance under this Contract based on the specific tasks and requirements in this Contract.
- 3.5** The County Project Manager shall consult with the Contractor's Project Manager to resolve any problems related to the provision of services. The County's Project Manager will review and determine if penalties should be assessed against the CONTRACTOR according to the *Performance Requirements Summary (PRS) chart, Technical Exhibit 2*.
- 3.6** If a dispute occurs regarding services or penalties under the Contract and such disputes cannot be resolved between the County Project Manager and the Contractor's Project Manager, it will be referred to the District Attorney or his/her designee whose decision will be final.
- 3.7** **Contract Discrepancy Report (*Technical Exhibit 1*).**

Every effort shall be made by the COUNTY to work with CONTRACTOR to identify and resolve any problems under the Contract. However, should deviations from agreed upon performance occur, a verbal notification of a Contract discrepancy will be made to the Contract Project Manager as soon as possible whenever a Contract discrepancy is identified. The nature of the deviation will be specified. The deviation shall be resolved within a time period mutually agreed upon by the COUNTY and the CONTRACTOR. If the deviation is not corrected as agreed, the County Project Manager will issue a written formal Contract Discrepancy Report, *Technical Exhibit 1* describing the nature of the deviation to the Contractor.

If a Contractor Discrepancy Report is issued, it will be mailed or hand delivered to the CONTRACTOR. Upon receipt of this document, the CONTRACTOR is required to respond in writing to the County Project Manager within five (5) work days, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all

deficiencies, identified in the Contract Discrepancy Report, shall be submitted to the County Project Manager within ten (10) work days. The CONTRACTOR must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and monitoring methods to prevent recurrence.

### **3.8 County Observations**

In addition to departmental contracting staff, other COUNTY personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the CONTRACTOR's performance.

## **4.0 DEFINITIONS**

- 4.1 Board of Supervisors (BOARD)** – The Board of Supervisors of the County of Los Angeles, acting as governing body of proposed the service area.
- 4.2 Performance Requirements Summary (PRS)** – Identifies and summarizes elements of the Contract the COUNTY will evaluate to assure that Contract performance standards are met by CONTRACTOR.
- 4.3 Standard** – Minimum requirement set by the COUNTY for performing a service or activity.
- 4.4 Sweep Account** – A bank account used by COUNTY departments to deposit funds collected daily, including revenue, fees and other monies received. Monies deposited are automatically “swept” nightly from the account into the Treasurer-Tax Collector’s control account, without losing the identity of each depositing department.

## **5.0 RESPONSIBILITIES**

The COUNTY's and the CONTRACTOR's responsibilities are as follows:



## **COUNTY**

### **5.1 Personnel**

The COUNTY will administer the Contract according to the Contract, Paragraph 6.0, Administration of Contract - County. Specific duties will include:

- 5.1.1 Monitoring the CONTRACTOR's performance in the daily operation of this Contract.
- 5.1.2 Providing direction to the CONTRACTOR in areas relating to policy, information and procedural requirements.
- 5.1.3 Preparing Change Notices in accordance with the Contract, Paragraph 8.0, Standard Terms and Conditions, Sub-paragraph 8.4, Change Notices and Amendments.

## **CONTRACTOR**

### **5.2 Project Manager**

- 5.2.1 The CONTRACTOR shall provide a full-time Contract Project Manager or designated alternate. COUNTY must have access to the Contract Project Manager during all hours, 365 days per year. CONTRACTOR shall provide a telephone number where the Contract Project Manager/Alternate may be reached on a twenty-four (24) hour per day basis.
- 5.2.2 The Contract Project Manager/Alternate shall demonstrate previous experience in the management of work requirements for facilities similar in size and complexity.
- 5.2.3 The Contract Project Manager/Alternate shall have full authority to act for CONTRACTOR on all matters relating to the daily operation of the Contract. Contract Project Manager/Alternate

shall be able to effectively communicate, in English, both orally and in writing.

- 5.2.4** The Contract Project Manager shall have three (3) years of experience in the area of general business and financial management, including debt collection. The Contract Project Manager/Alternate shall act as a central point of contact with the COUNTY.

### **5.3 Personnel**

- 5.3.1** The CONTRACTOR shall assign a sufficient number of employees to perform the required work. **At least one employee on site shall be authorized to act for CONTRACTOR in every detail and must speak and understand English.**

- 5.3.2** The CONTRACTOR may be required to conduct background checks on their managers as set forth in sub-paragraph 7.3, Background and Security Investigations of the Contract.

### **5.4 Employee Benefits and Payments**

- 5.4.1** The CONTRACTOR will be solely responsible for providing to, or on behalf of, its employees all legally required employee benefits.
- 5.4.2** The COUNTY shall not assume any liability for the payment of any salaries, wages, benefits or other compensation to, or on behalf of, any personnel provided by the CONTRACTOR.

### **5.5 Contractor Furnished Items**

- 5.5.1** The CONTRACTOR shall furnish personnel required to perform services described herein.

**5.5.2** The CONTRACTOR shall provide at CONTRACTOR's expense, computers and other equipment necessary to operate the Bad Check Restitution Program.

**5.6 Contractor's Office**

The CONTRACTOR shall maintain an office with a telephone in the company's name where the CONTRACTOR conducts business. The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., (PST) Monday through Friday, by at least one employee who can respond to inquires and complaints which may be received about the CONTRACTOR's performance of the Contract. When the office is closed, an answering service shall be provided to receive calls. **The CONTRACTOR shall answer calls received by the answering service within two (2) hours of receipt of the call.**

**6.0 HOURS/DAY OF WORK**

**6.1** Normal working hours for the Bad Check Restitution Program services personnel is 8:00 a.m. to 5:00 p.m., Monday through Friday. Hours may be changed at the COUNTY's discretion.

**6.2** Services may be provided on Saturday, Sunday, or on County holidays upon mutual agreement of the CONTRACTOR and the COUNTY.

**6.3** The CONTRACTOR is not required to provide personnel on COUNTY recognized holidays. These holidays may vary from year to year. The County Project Monitor will provide the CONTRACTOR with a list of holidays for the succeeding year as soon as they are available. In 2007, the holidays are:

New Year's Day	Monday, January 1, 2007
Martin Luther King, Jr. Day	Monday, January 15, 2007
President's Day	Monday, February 19, 2007
Memorial Day	Monday, May 28, 2007
Independence Day	Wednesday, July 4, 2007
Labor Day	Monday, September 3, 2007



Columbus Day  
Veteran's Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Day

Monday, October 8, 2007  
Monday, November 12, 2007  
Thursday, November 22, 2007  
Friday, November 23, 2007  
Tuesday, December 25, 2007

## **7.0 SPECIFIC WORK REQUIREMENTS**

### **7.1 General Operational Requirements**

The CONTRACTOR shall be responsible for the daily operation and management of all functions related to the Bad Check Restitution Program except for liaison, investigative, prosecutorial factors handled by the Los Angeles District's Attorney's Office. The CONTRACTOR shall maintain a worksite located in Los Angeles County.

The CONTRACTOR shall provide services and facilities necessary to the development, establishment, and operation of the LADA Bad Check Restitution Program. Such services include collection of restitution and administrative fees, disbursement of funds, and presentation of Bad Check Restitution classes, as discussed in the sections below.

### **7.2 Computer Requirements**

The County Project Manager, before installation, must approve all Computer hardware specification and software packages. The CONTRACTOR shall provide to the COUNTY a computer sufficient to allow immediate access to all program files and data in the CONTRACTOR's electronic files to COUNTY personnel whose function requires such access.

The CONTRACTOR shall provide a fully integrated software application developed specifically to meet the needs of the Bad Check Restitution Program as defined in this RFP, the Bad Check Restitution Program Services Agreement, and by the County Program Manager, once performance on that agreement commences. The program software

must be accompanied by a comprehensive procedure manual, written in standard English, and must be updated or modified as required by the County Program Manager, at the CONTRACTOR's expense. At a minimum, the software must be able to do the following:

- Track and maintain case files by offenders, victim, case number, active cases, closed or rejected cases, current payment status, and delinquent payments.
- Generate all correspondence and demand letters authorized by the COUNTY.
- Generate restitution checks to bad check victims.
- Maintain a check register which records deposits and withdrawals from the COUNTY approved victim trust account.
- Generate monthly status and statistical reports to victims, and to the COUNTY as specified by the COUNTY.
- Compile and extract account information such as totals for all open cases (accounts receivable), totals for all uncollectible cases, and other reports as specified by the County Project Manager.
- Generate reports on individual cases, or by categories of cases, as defined by the County Project Manager.

The CONTRACTOR shall provide the COUNTY with a personal computer connected to the CONTRACTOR's Bad Check Restitution Program database, at the CONTRACTOR's expense. The CONTRACTOR shall replace hardware as necessary to maintain current equipment standards defined by the County Project Manager. The computer link to the CONTRACTOR's database must allow COUNTY personnel to enter comments in this database, download any or all data

to the COUNTY computer, and print reports and screens from the CONTRACTOR's system. Information downloaded to the COUNTY computers must be in a format chosen by the County Project Manager.

The CONTRACTOR shall provide, at CONTRACTOR's expense, computer and other program related equipment to aid the County Project Manager in promoting the Bad Check Restitution Program to the public.

The CONTRACTOR shall be responsible for extracting and formatting all data from closed and open files in the COUNTY's existing bad check database.

The CONTRACTOR shall provide such aids to public presentation as shall be reasonably specified by the LADA. These aids shall include, but shall not be limited to, a new IBM-compatible laptop computer or equivalent, a new LCD type projector, table sleeve, wall banner, and standup display for presentations at business expositions or similar events, and such promotional materials as shall reasonably be requested by the District Attorney's Office.

### **7.3 Public Outreach**

The CONTRACTOR shall provide at least four (4) Field Representatives. These representatives will promote the Bad Check Restitution Program in frequent ongoing presentations to local business groups throughout Los Angeles County. Among other things, the CONTRACTOR shall exercise best efforts to inform small businesses Countywide of requirements and benefits of the Bad Check Restitution Program in an effort to obtain the participation of those businesses.

As a part of this effort, the CONTRACTOR shall provide promotional materials printed in English and other appropriate languages which should include, but is not limited to: Spanish, Korean, and Mandarin (Chinese). The promotional materials shall be disseminated to business



groups in communities Countywide, at the CONTRACTOR's expense. These and all other printed materials prepared or used by the CONTRACTOR in connection with the Bad Check Restitution Program Services Agreement must be approved in writing by the County Project Monitor prior to use by the CONTRACTOR.

#### **7.4 Bad Check Screening Criteria and Complaint Intake**

The CONTRACTOR shall comply at all times with screening, prosecution referral, and complaint intake criteria established by the COUNTY and the County Project Manager. The District Attorney shall at all times determine whether criminal prosecution is appropriate. Nothing in this Contract shall be construed as a delegation of prosecutorial discretion to the CONTRACTOR.

The CONTRACTOR shall ensure repeat offenders are not allowed to participate in the diversion program within an eighteen (18) month period, unless the subsequent case does not meet criteria for prosecution review by the COUNTY. In such case, the check(s) shall be allowed for recovery of victim restitution and administrative fees.

The CONTRACTOR shall directly receive, then process and follow through to conclusion on all complaints from bad check victims.

##### **7.4.1 Bad Check Screening Criteria**

The CONTRACTOR shall perform check-screening functions as directed by the COUNTY and pursuant to the provisions of Cal. Penal Code §1001.62. Upon receipt of a bad check complaint, the CONTRACTOR shall determine whether the bad check writer should be referred to the Bad Check Restitution Program, or whether criminal referral should be made. Criteria the CONTRACTOR must consider when making this determination include:

- Whether the bad check writer has a prior criminal record or was previously diverted to the Bad Check Restitution Program. Repeat offenders are not eligible for the diversion.
- Whether or not any bad check complaints are already on file in either open or closed cases against the writer, including those in the COUNTY's existing bad check database and those received by the CONTRACTOR under the bad check services agreement.
- The strength of the documentation provided with the complaint, and whether or not any intent to defraud the victim is apparent.
- Where bad checks are in the amount of \$2,500 or above, bank records are to be immediately ordered from the appropriate financial institution. Pending receipt of such records, ordinary restitution collection procedures are to be followed.
- Where the bad check writer cooperates in arranging payments of restitution, such payments are to be accepted and the bad check restitution class scheduled.
- Where there is no cooperation by the bad check writer by time the bank records arrive, the case is to be forwarded to the LADA (County Project Manager) for prosecution assessment.

#### **7.4.2 Bad Check Complaint Intake Criteria**

The CONTRACTOR shall only accept restitution payment for collection of NSF, or account-closed checks exchanged for goods, cash, and/or services.

The following category of bad checks may only be accepted with the prior written authorization from the COUNTY:

- Checks forwarded by any person or entity other than the business that accepted the bad check from the check writer.
- Photocopies or computer data not accompanied by the original check.

The COUNTY may amend the list at anytime, effective upon notice to the CONTRACTOR.

The CONTRACTOR may not accept the following categories of bad checks for collection:

- Postdated checks
- Out of State checks
- Checks taken with an agreement to hold
- Rent checks (other first and security deposit)
- Checks more than 120 days old
- Payroll checks
- Two-Party checks
- Stop payment checks
- Checks taken on a pre existing debt
- Government checks
- Insurance claim checks
- Collection agency checks
- Forged checks meeting the requirements of Cal. Penal Code §470
- Fictitious or false documents other than the checks
- False documents meeting the requirements of Cal. Penal Code §476

The CONTRACTOR shall accept only those stop payment checks that meet the intake criteria approved by the County Project Manager.

The COUNTY may amend the list at any time, effective upon notice to CONTRACTOR.



## 7.5 Collection Efforts and Demand Letters

The CONTRACTOR shall generate and send initial demand notices to bad check writers, then follow up with second and third notices as necessary. The COUNTY, prior to commencement of a collection, must approve the format, content, and the mail schedule for all form letters and notices in writing under the Bad Check Restitution Program Services Agreement.

The initial collection letter shall be issued within 24 hours of receipt of the complaint by the CONTRACTOR. Such letters, supplemented by telephone calls if needed, shall continue for not more than six weeks before bank records are ordered. Collection efforts are to continue until bank records arrive, at which time – if there has been no response or an uncooperative response from the bad check writer – such case shall be evaluated in light of criminal filing criteria established by the District Attorney and, if appropriate, forwarded for prosecution assessment. **UNDER NO CIRCUMSTANCES SHALL ANY CASE REMAIN IN COLLECTION MODE MORE THAN SIX MONTHS FROM THE DATE OF RECEIPT BY CONTRACTOR WHERE THERE HAS BEEN NO PAYMENT.** Cases not meeting the established criteria for criminal filing in the County of Los Angeles shall be promptly returned, with explanation, to the complainant. Repeated failure to process cases in a timely manner shall be grounds for material breach.

Before discontinuing efforts to locate and notify bad check writers of complaints filed against them with the Bad Check Restitution Program; the CONTRACTOR shall attempt to obtain information from the U.S. Postal Service as to whether the bad check writer is receiving mail at the address provided, or whether the U.S. Postal Service has a forwarding address for the bad check writer. The CONTRACTOR will also establish an account, at CONTRACTOR's expense, with one or more nationwide credit reporting agencies in order to obtain any available location

information, and will undertake other as needed reasonable efforts to locate the check writer.

## **7.6 Program Fee and Restitution Collection**

The CONTRACTOR must, at all times, act in compliance with Cal. Penal Code §1001.60 through §1001.67. Unless authorized by the COUNTY in writing, the CONTRACTOR may collect only those fees authorized in Cal. Penal Code §1001.64, §1001.65, and §476(A)(g), which includes the face value of each check, any authorized bank refunded item fees, and statutory administrative fees up to \$35.00 per bad check submitted for collection, not to exceed \$1,000 in the aggregate. A bad check diversion class must be offered in compliance with Cal. Penal Code §1001.64, for which the bad check writer must pay the class fee as set forth in this Contract.

The CONTRACTOR must obtain written approval from the COUNTY before collecting, implementing, or changing any Program Fees.

All collections, accounting, and disbursement shall in every case proceed check-by-check, without aggregating restitution or fees collected according to the bad check writer or victim where multiple checks are involved.

“Restitution” is hereby defined as the aggregate face amount of all bad checks passed by the bad check writer to the complaining victim, submitted and accepted by the CONTRACTOR for collection. All restitution and fees collected by the CONTRACTOR for the Bad Check Restitution Program shall be deposited by the CONTRACTOR into a sweep account held by the Los Angeles County District Attorney’s Office in a commercial, federally-insured financial institution located within Los Angeles County. This separate sweep account shall be maintained only for deposit. The disbursement of restitution to bad check victims shall be made from a LADA checking account maintained by the

CONTRACTOR on behalf of the LADA. The COUNTY will specify signatories on this account, and may modify any fiscal requirements expressed in this RFP or in the bad check agreement at any time.

## **7.7 Payment Requirements**

The CONTRACTOR shall only accept U.S. currency, money orders, or cashier's checks via U.S. mail in payment of restitution, administrative and bad check diversion class fees. The CONTRACTOR shall not accept personal checks from a bad check writer for any purpose without prior written authorization from the COUNTY.

Participants in the Bad Check Restitution Program shall be instructed to remit payments to a post office box maintained by the District Attorney.

Participants may make payments over the phone by means of a major credit card transaction on a credit card account; or

Participants may make payments via Western Union (or equivalent service provider).

The CONTRACTOR shall be responsible for receiving, recording, and depositing any monies collected or otherwise received from bad check writers. Deposits are to be made daily. Disbursements are to be made in accordance with the requirements set forth below and in the Bad Check Restitution Program Services Agreement.

The CONTRACTOR shall prepare and submit a monthly reconciliation of the sweep account at the end of each month, reconciling the CONTRACTOR's accounting records to the bank statement balance. Any unidentified checks received by the CONTRACTOR from bad check writers shall be submitted to the COUNTY within 30 days.



The CONTRACTOR is authorized to enter installment restitution repayment agreements with bad check writers provided that no such agreement shall exceed a 12 month period without COUNTY approval.

The CONTRACTOR shall maintain financial statements generated by the computer software application, including balance sheets, income statement disbursement and receipt journals, checkbook register, accounts receivable and accounts payable ledgers.

The CONTRACTOR shall maintain and submit to the County Project Monitor, a policies and procedures manual describing fiscal operations including computer and manual methods. The COUNTY may change these fiscal-reporting requirements as needed, at any time.

## **7.8 Payment Distribution**

All restitution and fee revenues shall be distributed along the following guidelines:

<b><u>Disbursement Type</u></b>	<b><u>Disbursement Cycle</u></b>
Victim restitution:	Paid monthly by check to the victim.
COUNTY disbursement:	County withdraws automatically.
CONTRACTOR disbursement:	Paid weekly by check to the CONTRACTOR.

In all cases, including those where less than the total amount due on a given check is collected from a bad check writer, the CONTRACTOR shall first distribute any amount collected to the bad check victim on a monthly basis until restitution is paid in full. Once restitution is paid in full, any additional monies collected from the bad check writer shall then be applied to administrative fees owing on the check. Once restitution and administrative fees are paid in full, any additional monies collected from the bad check writer shall then be applied to the bad check

diversion class fee. No class diversion fees may be collected until all required restitution and administrative fees have been first paid in full. Further, no bad check writer will be allowed to attend a bad check diversion class until all restitution, administrative and class fees have been paid in full.

In cases where there are multiple victims, payments will be applied on a first-in, first-out basis, with respect to the complaint filing date.

**Example:**

A bad check writer who produced two \$50 NSF checks will owe:

\$100.00     Restitution

\$ 70.00     Administrative Fees

\$150.00     Class Fee

\$320.00

Distribution of four partial payments of \$80.00 each follows:

	Victim	Administrative	Class
	<u>Restitution</u>	<u>Fee</u>	<u>Fee</u>
\$80.00 @ 30 days	\$80.00	\$ 0.00	\$ 0.00
\$80.00 @ 60 days	\$20.00	\$60.00	\$ 0.00
\$80.00 @ 90 days	\$ 0.00	\$10.00	\$70.00
\$80.00 @ 120 days	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$80.00</u>
	\$100.00	\$70.00	\$150.00

All checks received by the CONTRACTOR shall be deposited daily into a sweep account as specified by the COUNTY. A designated COUNTY employee shall be an authorized signatory on the account.

## 7.9 Diversion Classes

The CONTRACTOR shall conduct bad check diversion classes for bad check writers who comply with the threshold terms of the Bad Check Restitution Program as set forth above. Classes shall typically be scheduled on Saturdays, from 8:15 a.m. to 4:30 p.m., at locations within Los Angeles County that are convenient to bad check writers. Class sizes will average 20-30 participants.

The CONTRACTOR must obtain COUNTY approval of its bad check diversion class curriculum and classroom location prior to implementation. The CONTRACTOR's responsibilities include: scheduling classes; training, coordinating, evaluating, and making payments to the class instructor; sending notices to attendees; and maintaining detailed attendance and other class records. In addition, the CONTRACTOR shall provide the County Program Manager with monthly statistical reports, and detailed lists of attendees for the immediately preceding month, as well as a schedule of classes for the coming month. Detailed information regarding class attendees shall be available upon request. The COUNTY reserves the right to demand changes in curriculum or structure of the class at any time.

A bad check writer may not attend a bad check diversion class until all restitution and fees, including the diversion class fee, are paid in full. The bad check diversion class shall be a full day classroom experience. The CONTRACTOR may charge a reasonable fee as set forth in *Exhibit B, Pricing Schedule* for the bad check diversion class, subject to prior written COUNTY approval. The CONTRACTOR may not charge the diversion class fee without prior written COUNTY approval.

A certificate of completion shall be provided to each attendee who successfully completes the bad check diversion class. As with all other CONTRACTOR publication and printed materials, written COUNTY



approval of the form and content is required before this certificate may be used under this Contract.

#### **7.10 Prosecution Referral**

When a bad check writer fails to comply with the terms of the Bad Check Restitution Program, the CONTRACTOR shall generate a COUNTY approved letter to the drawee bank pursuant to Cal. Government Code §748(b), requesting copies of the signature card and pertinent records on the account. The CONTRACTOR shall maintain contact with the drawee banks for the purpose of obtaining their full cooperation and compliance with Cal. Government Code §748(b).

Once the bank records are obtained, the CONTRACTOR shall then determine whether the case meets the standards set forth by the COUNTY for criminal prosecution referrals and forward any cases meeting these standards to the County Program Manager or designee for review. The CONTRACTOR shall, **within less than six months on which the bad checks are received**, forward to the COUNTY those cases meeting the Bad Check Restitution Program's case issuance guidelines. When referring cases to the County Program Manager for possible prosecution, the CONTRACTOR will provide all documents and reports provided by the victim, and all documents generated by the CONTRACTOR concerning the case.

The CONTRACTOR shall provide the COUNTY with the following at the point of referral:

- The full name and a physical description of the person suspected of issuing the bad check(s).
- All original bad check(s) involved.
- Information and documents provided by the drawee bank.
- A hard copy of the computer file.

- A clearly written narrative description of the offense, available evidence, and a detailed description of all the efforts made to locate the bad check writer and obtain restitution, with corresponding descriptions of any results or response. The narrative shall relate all events in chronological order, and provide the name of all the witnesses to the described events, including efforts to locate, contact and collect the outstanding sum from the bad check writer. The list of witnesses must include the name, address and telephone number of:
- Any eyewitness to the bad check transaction
- Anyone with knowledge of any goods or services provided in exchange for the bad check(s)
- Anyone with knowledge of the effort undertaken by the victim to contact the bad check writer and obtain reimbursement or compliance with the requirements of the Bad Checks Restitution Program.
- The Custodian of Records for the bank upon which the bad check(s) was/were drawn.
- Anyone with personal knowledge of the efforts undertaken by those other than the victim to contact the bad check writer and obtain reimbursement or compliance with the requirements of the Bad Check Restitution Program.

The CONTRACTOR must also provide a declaration in support of an arrest warrant to be signed by the COUNTY investigative personnel.

The County Program Manager, prior to implementation and use, must approve the format for this narrative and the accompanying declaration.

## **7.11 Returning Original Checks**

In all cases which do not result in criminal prosecution, the CONTRACTOR shall return all original bad checks with a letter of explanation to the bad check victim. This requirement may be waived either in writing by the victim, or upon reactivation of the bad check case due to the receipt of the payment from the bad check writer, new evidence, or new information on the bad check writer's location.

## **7.12 Monthly Reports**

The CONTRACTOR shall submit the following documents/reports on a monthly basis to the County Program Manager. The County Program Manager may modify these documents/reporting requirements on an as-needed basis, at any time.

### **Revenue Summary**

All deposits made during the month shall be contained on this report and will include the deposit dates, deposit amounts and allocations of the deposit as restitution, administrative, class, and/or other fees

### **Bank Reconciliation**

Reconciliation of the victim trust account balance to the bank statement ending balance.

### **Bank Statement**

Provide a monthly copy.

### **New Complaints**

List of new complaints received and entered in the case management system for the month; organized by NSF check writer's last name.

### **Disbursements**

A report of all checks paid to the victims during the month, and other expenditures paid out of the victim trust account.



### **Case Management Summary**

A list of all the accounts contained in the database. The report shall include the bad check writer's name, telephone number, address, driver's license number, payment due date, balance due, and a status of the account.

### **Community Outreach Efforts**

The CONTRACTOR shall provide the County Project Manager with a monthly report of the community outreach efforts of the Field Representatives written by the Director of the Field Representatives. The report should include all presentations made to business groups, all contacts with prospective and existing merchants, and any business fairs, expos, or events where the Field Representatives represented the COUNTY.

#### **7.13 Other Reports**

The CONTRACTOR shall submit the following reports, as indicated, to the County Program Manager. The County Project Manager may modify these documents/reporting requirements on an as-needed basis, at any time.

### **Daily Enrollment List**

The CONTRACTOR shall provide a daily enrollment list of pre-trial bad check diversion program participants, for review by the District Attorney's Office. The District Attorney's Bad Check Restitution Project Director shall review and confirm a variety of sample data on the daily enrollment list, and return the list in its entirety as "approved," or indicate those enrollee's names which are not approved and approved all remaining enrollees identified on the list. The County Project Director shall acknowledge the enrollment list as soon as possible.

### **Statistical Reports**

The number and amount of bad checks processed during the quarter including but not limited to the following: complaints received; new files entered into the CONTRACTOR case management system; referrals for prosecution review; bad check writers that were not located; first, second, and third letter sent; the change letter; bank records requested; paid first, second, third, and last letter; checks recovered; bad check diversion fees; administrative fees; bank charges collected; victim restitution collected; and a total for each category.

### **Accounts Purged and Closed:**

A list of all the accounts taken off the database during the quarter, including the reason and a summary report.

### **Diversion Class Reports**

CONTRACTOR may be required to provide periodic administrative reports, upon request, to identify the volume of student participants enrolled in classes, the "no show" rate of enrolled participants at each class site, locations of classes, and other attendance and enrollment data which may be available through the CONTRACTOR's database.

## **7.14 Contract Monitoring and Audit Requirement**

The County Project Monitor may conduct monthly audits of any and all Bad Checks Restitution Program records and documentation, which must be made available to the COUNTY upon request, during normal business hours. Designees of the County Auditor-Controller's Office shall have the right to examine and audit monthly statements of income, and money received account files, records, and support documents upon request, during normal business hours.

In addition, the County Project Manager may select a firm from the County Auditor-Controller's "Master List of Contracted Audit Firms" or other Certified Public Accounting (CPA) firm to conduct an audit of the CONTRACTOR's company. This audit would include a review of the CONTRACTOR's financial records pertaining to the COUNTY Bad Check Restitution Program, books of account, records, support source documents, and internal controls.

A copy of the CONTRACTOR's final audit report shall be submitted to the COUNTY for its files. The COUNTY shall make a reasonable effort to maintain the confidentiality of the final audit report. The CONTRACTOR shall immediately modify any business processes to correct any audit findings indicated in the final audit report to the satisfaction of the COUNTY. Failure to correct any audit findings to the satisfaction of the COUNTY shall constitute a material breach of this Contract, upon which the COUNTY may immediately terminate, or suspend the Contract.

#### **7.15 Licenses and Credentials**

Any employee or agent of the CONTRACTOR providing services under the Bad Check Restitution Program Services Agreement which requires a specific license or credential must hold a current or valid license or credential without lapse, throughout the agreement period.

Any employee or agent of the CONTRACTOR who is required to drive a vehicle within the course and scope of employment related to the Bad Check Restitution Services Agreement shall hold a valid driver's license without lapse and for the appropriate vehicle class, throughout the agreement period.

The CONTRACTOR shall maintain a file of required insurance, licenses and credentials for the CONTRACTOR's business entity, agents and



employees. This file shall be current and available for COUNTY inspection at all times upon request.

## **8.0 PERFORMANCE REQUIREMENTS SUMMARY**

All listings of services used in the Performance Requirements Summary (PRS) are intended to be completely consistent with the Contract and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of the CONTRACTOR beyond that defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract and the SOW and this PRS, the meaning apparent in the Contract and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the SOW, that apparent service will be null and void and place no requirement on the CONTRACTOR.

- 8.1** The CONTRACTOR will keep electronic files, database, and other records set forth in the RFP and in the Bad Check Restitution Program Services Agreement, and will allow case by case and global reviews of the CONTRACTOR's bad check program operation by the COUNTY upon request.
- 8.2** The Bad Check Restitution Program management/administrative personnel provided by the CONTRACTOR shall meet the minimum requirements as stated in the Contract, Section 7.0 and perform satisfactorily as defined by the County Project Manager.
- 8.3** The CONTRACTOR shall be responsible for providing competent staff to fulfill the Contract, and shall have complete flexibility for establishing an effective management and organizational structure.
- 8.4** The CONTRACTOR shall maintain a file of all relevant employment information on all personnel provided to the COUNTY. This file shall be made available for review if requested by the COUNTY during the term of the Contract.

- 8.5** CONTRACTOR shall maintain a level of staffing commensurate with the timely processing of **NSF** complaints, public contact, and educational requirements, and shall hire and train all qualified staff necessary to perform the various Bad Check Restitution Program functions, including but not limited to the following:

Program Manager  
Case Manager(s)  
Field Representative(s)  
Diversion Class Instructors

- 8.6** The CONTRACTOR shall maintain all pertinent accounting, financial records, time cards, proprietary data, and other records relating to the Contract for a period of five (5) years after completion of the Contract unless COUNTY's written permission is given to dispose of material prior to this time.

- 8.8** The CONTRACTOR shall ensure that its employees will cross picket lines in the event of a strike or other work stoppage by the COUNTY's employees or by the CONTRACTOR's employees.

**8.9 Performance Standards**

The COUNTY shall evaluate the CONTRACTOR's performance under the Bad Check Restitution Program Services Agreement, not less than on an annual basis. Such evaluations will include assessment of the CONTRACTOR's compliance with all contract terms and performance standards defined in this Contract and by the County Project Manager.

When the CONTRACTOR's performance does not conform with the requirements of this Contract, the COUNTY will have the option to apply the following non-performance remedies:

- Require CONTRACTOR to implement a formal corrective action plan, subject to approval by the COUNTY. In the plan, the CONTRACTOR must include reasons for the unacceptable performance, specific steps

to return performance to an acceptable level, and monitoring methods to prevent recurrence.

- Increase CONTRACTOR's obligation by a computed amount based on the assessment fee(s) in the PRS, *Technical Exhibit 2*.
- Increase the CONTRACTOR's obligation, suspend or cancel this Contract for systematic, deliberate misrepresentations or unacceptable levels of performance.

Failure of the CONTRACTOR to comply with or satisfy the request(s) for improvement of performance or to perform the neglected work specified within ten (10) days shall constitute authorization for the COUNTY to have the service(s) performed by others. The entire cost of such work performed by others as a consequence of the CONTRACTOR's failure to perform said service(s), as determined by the COUNTY, shall be credited to the COUNTY on the CONTRACTOR's future invoice.

This section does not preclude the COUNTY's right to terminate the Contract upon ten (10) days written notice with or without cause, as provided for in the Contract, Paragraph 8.0, Standard Terms and Conditions, Sub-paragraph 8.42, Termination for Convenience.

The CONTRACTOR shall indemnify the COUNTY for any loss sustained, or liability incurred by the COUNTY as a result of the CONTRACTOR's breach of performance standards under this Contract.



## EXHIBIT B

### PRICING SCHEDULE

FEE/COLLECTION	AMOUNT
Restitution	<b>Restitution Amount (Paid to Victim)</b>
Educational Class Fee	<b>\$150.00 per class</b>  A \$25 discount will be offered to participants who pay the full balance of Restitution and Class Fees within thirty (30) calendar days from the date of the initial demand.
Administrative Fee	<b>\$35.00 per check (per statute)</b>
Special Assessment and/or Special Handling Fee	<b>None</b>
Class Cancellation/Failure to Appear Rescheduling Fee	<b>\$25.00 per cancellation/reschedule</b>  CONTRACTOR shall provide one courtesy reschedule at no cost.
Convenience Fee	<b>\$10 per transaction</b>  For payments made via credit card or Western Union (or equivalent service)

## EXHIBIT B

### PRICING SCHEDULE

#### FEE DISTRIBUTION

RECIPIENT	PERCENT OF FEES COLLECTED
Los Angeles County District Attorney's Office	50% of Administrative Fee
CONTRACTOR	50% of Administrative Fee
CONTRACTOR	100% of Educational Class Fee
CONTRACTOR	100% of Rescheduling Fee
CONTRACTOR	100% of Convenience Fee

#### **ADMINISTRATIVE FEES COLLECTED**

At a minimum, the CONTRACTOR guarantees reimbursement of all reasonable program staffing costs (defined as employee salaries, benefits, and overhead, calculated at the standard applicable rate) incurred by the Los Angeles County District Attorney. Program positions currently include:

- One County Project Manager at the level of District Attorney Field Deputy, Supervising Administrative Assistant III, or higher
- One Assistant Administrator at the level of an Administrative Assistant II
- One Paralegal
- Three Clerical Assistants at the level of a Senior Typist Clerk

Sixty (60) days before the end of each one-year cycle, the COUNTY shall calculate the total amount of revenue returned to the COUNTY by CONTRACTOR during that year. Based on this amount and the actual cost of positions allocated to the program during the year, and on any relevant trend from prior years, the COUNTY shall determine whether revenue from the CONTRACTOR will be sufficient to cover program-staffing costs. If revenue is determined not to be sufficient to cover COUNTY costs, the

## **EXHIBIT B**

### **PRICING SCHEDULE**

#### **ADMINISTRATIVE FEES COLLECTED (con't)**

COUNTY will notify the CONTRACTOR of the shortfall, and the CONTRACTOR shall reimburse the COUNTY for the amount of the shortfall within 30 days after the notice. CONTRACTOR's failure to reimburse shall be grounds for termination for default.

If at any time during the life of the Contract, the District Attorney's program staffing costs exceed the District Attorney's share of the Administrative Fees collected, the parties shall discuss renegotiation of the Program Fee Distribution provided herein, prior to the CONTRACTOR being notified of a financial liability.

The COUNTY may not at any time increase program staffing in terms of number or position-types, based on workload and program needs without discussing with the CONTRACTOR, and reaching a mutual agreement to be documented in accordance with Section 8.4, Change Notices and Amendments.

#### **OVERPAYMENTS**

All overpayment balances of five dollars (\$5.00) or more shall be paid to the bad check writer(s) within ninety (90) days after the bad check writer satisfies all Program requirements.



**EXHIBIT C**

**CONTRACTOR'S PROPOSED SCHEDULE**

**NOT APPLICABLE**

EXHIBIT D

CONTRACTOR'S EEO CERTIFICATION

American Corrective Counseling Services, Inc.  
Contractor Name  
180 Avenida La Pata San Clemente, CA 92673  
Address  
33-0656885  
Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment. Yes ☒ No ☐
2. The Contractor periodically conducts a self analysis or utilization analysis of its work force. Yes ☒ No ☐
3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups. Yes ☒ No ☐
4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. Yes ☒ No ☐

Michael Schreck, CEO  
Authorized Official's Printed Name and Title  
[Signature]  
Authorized Official's Signature  
7-12-07  
Date

## EXHIBIT E

### COUNTY'S ADMINISTRATION

CONTRACT NO. \_\_\_\_\_

#### COUNTY PROJECT DIRECTOR:

Name: Steve Cooley  
Title: District Attorney  
Address: 210 W. Temple Street, Suite 18-709  
Los Angeles, CA 90012  
Telephone: (213) 974-3501  
Facsimile: (213) 687-8525  
E-Mail Address: scooley@da.lacounty.gov

#### COUNTY PROJECT MANAGER:

Name: Luis Alvarez  
Title: District Attorney Field Deputy  
Address: 210 W. Temple Street, Suite 16-222  
Los Angeles, CA 90012  
Telephone: (213) 974-3470  
Facsimile: (213) 633-5157  
E-Mail Address: lalvarez@da.lacounty.gov

#### COUNTY CONTRACT PROJECT MONITOR:

Name: Corina M. Calixto  
Title: Supervising Administrative Assistant III  
Address: 201 N. Figueroa Street, Suite 1300  
Telephone: (213) 202-7653  
Facsimile: (213) 202-6086  
E-Mail Address: ccalixto@da.lacounty.gov



## EXHIBIT F

### CONTRACTOR'S ADMINISTRATION

**CONTRACTOR'S NAME:** American Corrective Counseling Services, Inc. (ACCS)

**CONTRACT NO:** \_\_\_\_\_

### CONTRACTOR'S PROJECT MANAGER:

Name: Kristy Silguero  
Title: Vice President – Corporate Relations  
Address: 180 Avenida La Pata, Suite 200  
San Clemente, CA 92673  
Telephone: (800) 540-4027  
Facsimile: (800) 325-3873  
E-Mail Address: [ksilguero@accs-inc.com](mailto:ksilguero@accs-inc.com)

### CONTRACTOR'S AUTHORIZED OFFICIAL(S):

Name: Michael Schreck  
Title: President, Chief Executive Officer  
Address: 180 Avenida La Pata, Suite 200  
San Clemente, CA 92673  
Telephone: (800) 325-3910  
Facsimile: (800) 325-3873  
E-Mail Address: [mschreck@accs-inc.com](mailto:mschreck@accs-inc.com)

Name: Kristy Silguero  
Title: Vice President – Corporate Relations  
Address: 180 Avenida La Pata, Suite 200  
San Clemente, CA 92673  
Telephone: (800) 540-4027  
Facsimile: (800) 325-3873  
E-Mail Address: [ksilguero@accs-inc.com](mailto:ksilguero@accs-inc.com)

### Notices to Contractor shall be sent to the following:

Name: Kristy Silguero  
Title: Vice President – Corporate Relations  
Address: 180 Avenida La Pata, Suite 200  
San Clemente, CA 92673  
Telephone: (800) 540-4027  
Facsimile: (800) 325-3873  
E-Mail Address: [ksilguero@accs-inc.com](mailto:ksilguero@accs-inc.com)

## EXHIBIT G1

### CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME \_\_\_\_\_ Contract No. \_\_\_\_\_

#### GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

#### CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

#### CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_

PRINTED NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_



## EXHIBIT G2

### CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name \_\_\_\_\_ Contract No. \_\_\_\_\_

Employee Name \_\_\_\_\_

#### GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

#### EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

#### CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_

PRINTED NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_



## **EXHIBIT H**

### **Title 2 ADMINISTRATION Chapter 2.203.010 through 2.203.090 CONTRACTOR EMPLOYEE JURY SERVICE**

#### **2.203.010 Findings.**

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies.

#### **2.203.020 Definitions.**

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
  - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
  - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
  - 3. A purchase made through a state or federal contract; or
  - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-3700 or a successor provision; or
  - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.4.0 or a successor provision; or

## **EXHIBIT H**

Title 2 ADMINISTRATION  
Chapter 2.203.010 through 2.203.090  
**CONTRACTOR EMPLOYEE JURY SERVICE**

6. A purchase card pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision; or
  7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
  8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

### **2.203.030 Applicability.**

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable.

### **2.203.040 Contractor Jury Service Policy.**

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service.

### **2.203.050 Other Provisions.**

- A. **Administration.** The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. **Compliance Certification.** At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract.



## **EXHIBIT H**

Title 2 ADMINISTRATION  
Chapter 2.203.010 through 2.203.090  
CONTRACTOR EMPLOYEE JURY SERVICE

### **2.203.060 Enforcement and Remedies.**

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor.

### **2.203.070. Exceptions.**

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
  1. Has ten or fewer employees during the contract period; and,
  2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
  3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

### **2.203.090. Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.



## **EXHIBIT I**

### **SAFELY SURRENDERED BABY LAW**

Posters and Fact Sheets are available in English and Spanish for printing purposes at the following website:

[www.babysafela.org](http://www.babysafela.org)

# No shame. No blame. No names.

Newborns can be safely given up  
at any Los Angeles County  
hospital emergency room or fire station.



In Los Angeles County:  
**1-877-BABY SAFE**  
**1-877-222-9723**  
[www.babysafela.org](http://www.babysafela.org)



**State of California**  
Gray Davis, Governor

**Health and Human Services Agency**  
Grantland Johnson, Secretary

**Department of Social Services**  
Rita Saenz, Director



**Los Angeles County Board of Supervisors**  
Clotia Molina, Supervisor, First District  
Wynne Brathwaite Burke, Supervisor, Second District  
Zev Yaroslavsky, Supervisor, Third District  
Don Knabe, Supervisor, Fourth District  
Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.



## EXHIBIT I

### What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

### How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

### What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

### Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

### Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

### Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

### What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

### What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

### Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

### A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

---

**Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.**

---

***It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.***



# **Sin pena. Sin culpa. Sin peligro.**

**Los recién nacidos pueden ser entregados  
en forma segura en la sala de emergencia de  
cualquier hospital o en un cuartel de bomberos  
del Condado de Los Angeles.**



**En el Condado de Los Angeles:**

**1-877-BABY SAFE**

**1-877-222-9723**

**[www.babysafela.org](http://www.babysafela.org)**



**Estado de California**  
Gray Davis, Gobernador

**Agencia de Salud y Servicios Humanos**  
(Health and Human Services Agency)  
Grantland Johnson, Secretario

**Departamento de Servicios Sociales**  
(Department of Social Services)  
Rita Saenz, Directora



**Consejo de Supervisores del Condado de Los Angeles**

Gloria Molina, Supervisora, Primer Distrito

Yvonne Brathwaite Burke, Supervisora, Segundo Distrito

Zev Yaroslavsky, Supervisor, Tercer Distrito

Don Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovich, Supervisor, Quinto Distrito

Esta Iniciativa tambien esta apollada por First 5 LA y INFO LINE de Los Angeles.

## TECHNICAL EXHIBITS TABLE OF CONTENTS

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2 PERFORMANCE REQUIREMENTS SUMMARY CHART .....	2

**TECHNICAL EXHIBT 1**  
**CONTRACT DISCREPANCY REPORT**

**TO:**

**FROM:**

**DATES:**      **Prepared:** \_\_\_\_\_  
                  **Returned by Contractor:** \_\_\_\_\_  
                  **Action Completed:** \_\_\_\_\_

**DISCREPANCY  
PROBLEMS:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature of County Representative

\_\_\_\_\_  
Date

**CONTRACTOR RESPONSE (Cause and Corrective Action):** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature of Contractor Representative

\_\_\_\_\_  
Date

**COUNTY EVALUATION OF CONTRACTOR RESPONSE:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature of County Representative

\_\_\_\_\_  
Date

**COUNTY ACTIONS:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CONTRACTOR NOTIFIED OF ACTION:**

County Representative's Signature and Date \_\_\_\_\_

Contractor Representative's Signature and Date \_\_\_\_\_



TECHNICAL EXHIBIT 2

# PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

## BAD CHECK DIVERSION PROGRAM SERVICES

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Contract: Paragraph 7.0 - Administration of Contract- Contractor	Contractor shall notify the County in writing of any change in name or address of the Project Manager	Inspection & Observation	\$50 per occurrence
Contract: Sub-paragraph 7.14 - Record Maintenance & Retention	Contractor to maintain all required documents as specified in Sub-paragraph 7.14	Inspection of files	\$50 per occurrence
Contract: Sub-paragraph 8.39 - Subcontracting	Contractor shall obtain County's written approval prior to subcontracting any work.	Inspection & Observation	\$100 per occurrence; possible termination for default of contract
SOW: Sub-paragraph 3.1 - Monthly Meetings	Contractor's representative to attend scheduled monthly meetings.	Attendance	\$50 per occurrence
SOW: Sub-paragraph 8.2 – Program Management/ Administrative personnel	Contractor's Program Manager shall meet the minimum requirements.	Inspection & Observation	\$100 per occurrence; possible termination for default of contract
SOW: Sub-paragraph 8.4– Personnel files	Contractor shall maintain relevant employment information on all personnel provided to County and be made available for review	Inspection	\$50 per occurrence
SOW: Sub-paragraph 8.5 – Contractor Staffing level	Contractor shall maintain a level of staffing commensurate with the timely processing of NSF complaints	Inspection & Observation	\$100 per occurrence; possible termination for default of contract
Contract: Sub-paragraph 7.4 – Computer and General Requirements	Contractor shall follow County's specifications for all computer hardware and software items.	Inspection & Observation	\$100 per occurrence; possible termination for default of contract

<b>SPECIFIC PERFORMANCE REFERENCE</b>	<b>SERVICE</b>	<b>MONITORING METHOD</b>	<b>DEDUCTIONS/FEEES TO BE ASSESSED</b>
Contract: Sub-paragraph 7.5 – Public Outreach	Contractor shall obtain County's written approval prior to use of printed materials to promote the Program.	Inspection & Observation	\$50 per occurrence
Contract: Sub-paragraph 7.7	Contractor shall obtain County's written approval of all demand notices and mail schedule prior to commencement of a collection.	Inspection & Observation	\$50 per occurrence
Contract: Sub-paragraph 7.8 – Depositing and Disposition of Funds	Contractor shall only accept U.S. currency, money orders, cashiers checks, major credit cards, or Western Union (or similar type service provider) in payment of restitution, administrative and class fees	Inspection & Observation	\$50 per occurrence
Contract: Sub-paragraph 7.8 – Depositing and Disposition of Funds	Contractor shall deposit monies collected daily.	Review of reports	\$50 per occurrence
Contract: Sub-paragraph 7.9 – Program Fees	Contractor must comply with Cal. Penal Code 1001.60 through 1001.67 regarding program fees, unless authorized by the County in writing.	Review of reports	\$100 per occurrence; possible termination for default of contract
Contract: Sub-paragraph 7.10 – Payment Disbursements	Contractor shall maintain financial statements and submit to the County Project Monitor a policies and procedures manual describing fiscal operations.	Review of reports	\$50 per occurrence
Contract: Sub-paragraph 7.11 – Diversion Classes	Contractor must obtain County's approval of its bad check restitution class curriculum and classroom location prior to implementation.	Inspection & Observation	\$50 per occurrence

<b>SPECIFIC PERFORMANCE REFERENCE</b>	<b>SERVICE</b>	<b>MONITORING METHOD</b>	<b>DEDUCTIONS/FEES TO BE ASSESSED</b>
SOW: Sub-paragraph 7.11 – Prosecution Referrals	Contractor shall, within less than six months on which bad checks are received, forward to the LADA those cases meeting the program's case issuance guidelines.	Review of reports	\$50 per occurrence
Contract: Sub-paragraph 7.13 – Reporting Requirements	Contractor shall submit the listed documents/reports in the time indicated.	Inspection & Observation	\$50 per occurrence